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STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2006-07)

FOURTEENTH LOK SABHA

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DEPARTMENT OF CONSUMER AFFAIRS)

DEMANDS FOR GRANTS (2007-2008)

NINETEENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

April, 2007/Vaisakha, 1929 (Saka)

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MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DEPARTMENT OF CONSUMER AFFAIRS)

DEMANDS FOR GRANTS (2007-2008)

Presented to Lok Sabha on 27.04.2007
Laid in Rajya Sabha on 27.04.2007

LOK SABHA SECRETARIAT
NEW DELHI

April, 2007/Vaisakha, 1929 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION – 2006- 07

Shri Devendra Prasad Yadav - Chairman

MEMBERS

LOK SABHA

2. Shri Shri Govinda Aroon Ahuja
3. Shri Alakesh Das
4. Shri Atma Singh Gill
5. Shri Abdul Mannan Hossain
6. Shri Baliram Kashyap
7. Shri Avinash Rai Khanna
8. Shri W. Wangyuh Konyak
9. Shri Parsuram Majhi
10. Shri Sadashivrao Dadoba Mandlik
11. Shri Harikewal Prasad
12. Shri Munshi Ram
13. Shri Daroga Prasad Saroj
14. Adv. P. Satheedevi
15. Smt. V. Radhika Selvi
16. Shri Chandrabhan Singh
17. Shri Ramakant Yadav
18. Vacant
19. Vacant
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri T.S. Bajwa
23. Smt. Mohsina Kidwai
24. Shri Shantaram Laxman Naik
25 Shri Nabam Rebia
26. Shri Thanga Tamil Selvan
27. Shri Kanjibhai Patel
28. Shri Rajniti Prasad
29. Shri Matilal Sarkar
30. Shri Ram Narayan Sahu
31. Shri Vijay Kumar Rupani

SECRETARIAT

1. Dr. (Smt.) Paramjit Kaur Sandhu - Additional Secretary
2. Shri P.K.Misra - Joint Secretary
3 Smt. Sudesh Luthra - Director
4 Shri Jagdish Prashad - Deputy Secretary -II

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2006-2007), having been authorized by the Committee to submit the Report on their behalf present this Nineteenth Report on Demands for Grants (2007-2008) relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Committee examined/scrutinized the detailed Demands for Grants (2007-2008) of the Ministry, which were laid on the Table of the House on 19 March 2007.

3. The Committee took evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) on 9 April 2007.

4. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs), for placing before them detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with examination of the subject.

5. The Report was considered and adopted by the Committee at their sitting held on 23 April, 2007.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

DEVENDRA PRASAD YADAV,
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution

NEW DELHI
25 April 2007
5 Vaisakha, 1929 (Saka)

CHAPTER I

INTRODUCTORY

The Department of Consumer Affairs (DCA) is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution. It was constituted as a separate Department in June 1997 as it was considered necessary to have a separate Department to give a fillip to the nascent Consumer movement in the country. The work allocated to the Department, as per the Allocation of Business Rules, 1961, is listed below:_

1. Internal Trade.
2. Inter-State Trade: The Spirituous Preparation (Inter-State Trade and Commerce) Control Act, 1955 (39 to 1955).
3. Control of Future Trading: The Forward Contracts (Regulation) Act, 1952 (74 to 1952).
4. The Essential Commodities Act, 1955 (10 to 1955) (supply, price and distribution of essential commodities not dealt with specifically by any other Department).
5. Prevention of the Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980 (7 of 1980), persons subject to detention thereunder.
6. Regulation of Packaged Commodities.
7. Training in Legal Metrology.
8. The Emblems and Names (Prevention of Improper Use) Act, 1952 (12 of 1952)
9. Standards of Weights and Measures; The Standards of Weights and Measures Act, 1976 (60 of 1976)
10. The Bureau of Indian Standards Act, 1986 (63 of 1986).
11. Laying down specifications, standards and codes and ensuring quality control of bio-fuels for end users.
12. Forward Markets Commission.
13. Consumer Cooperatives.
14. Monitoring of prices and availability of essential commodities.
15. National Test House.
16. The Consumer Protection Act, 1986 (68 of 1986).

1.2 The Department of Consumer Affairs mandate consists of responsibilities: (i) consumer protection, (ii) internal trade, (iii) quality infrastructure and policies consisting of standards and legal metrology, and (iv) monitoring of prices and availability of essential commodities. In carrying out its mandate, the Department is assisted by the following organizations:-

A. Bureau of Indian Standards (BIS).
B. National Test House (NTH).
C. National Consumer Disputes Redressal Commission (NCDRC).
D. National Cooperative Consumer's Federation (NCCF).
E. Forward Markets Commission (FMC).
F. Indian Institute of Legal Metrology (IILM).

1.3 The Minister of Consumer Affairs, laid on the Table of the Lok Sabha, the Detailed Demands for Grants (2007-2008) relating to the Department of Consumer Affairs on 20th March 2007. The Detailed Demands for Grants for the Department of Consumer Affairs shows a budgetary provision of Rs. 270.24 crore. This includes Rs. 213.00 crore for plan activities and another Rs. 57.24 crore, for non-plan programmes and schemes.

1.4 The Committee has examined the various issues related to implementation of different schemes/programmes of the Department in the context of Demands for Grants (2007-08); the detailed analysis alongwith the observations/recommendation has been given in the succeeding part of the report.

CHAPTER II

OVERALL EVALUATION OF THE DEMANDS FOR GRANTS 2007-2008 OF THE DEPARTMENT OF CONSUMER AFFAIRS

Status of Implementation of the recommendations made by the Committee in Thirteenth Report of the Committee on Demands for Grants (2006-2007) under Direction 73 A of the Directions by the Speaker, Lok Sabha.

As per direction 73A of the Directions by the Speaker, Lok Sabha, the Minister concerned shall make once in six months a Statement in the House regarding the status of implementation of recommendations contained in the Reports of Departmentally Related Standing Committee of Lok Sabha with regard to the Ministry.

2.2 The Standing Committee on Food, Consumer Affairs and Public Distribution presented Thirteenth Report on Demands for Grants (2006-2007) relating to the Department of Consumer Affairs on 22nd May, 2006. The Sixteenth Report on Action Taken by the Government on the recommendations contained in the Thirteenth Report on DFG (2006-2007) was presented to Lok Sabha on 6th December, 2006. Out of 15 recommendations, 8 recommendations (Recommendations at Sl. Nos. 1,4,5,6,10,11,12 and 15) were accepted by the Government. The Committee did not desire to pursue 3 recommendations (Recommendations at Sl. Nos. 3,7 and 13) in view of the satisfactory reply given by the Government. The replies of the Government in respect of recommendations at Sl. Nos. 2 and 9 were not accepted by the Committee. The Committee reiterated these recommendations in their Sixteenth Report. Besides, the Committee had their comment on three recommendations (Recommendations at Sl No. 4, 6 and 15). Replies to two recommendations.
(Recommendations at Sl. No. 8 and 14) which were of interim nature. The Sixteenth Report was sent to the Ministry for furnishing Action Taken Statement on the recommendations made by the Committee. The Minister made a statement in Lok Sabha on 27th November, 2006 regarding the status of implementation of the recommendations contained in the 13th Report of the Committee on Demands for Grants (2006-07) under direction 73A of the Directions by the Speaker, Lok Sabha. The information made available to the Committee with regard to implementation of recommendations made in their Report has been critically analyzed (Annexure).

CHAPTER-III

GENERAL PERFORMANCE

The statement showing the scheme-wise, project-wise funds allocation during each year of Tenth Five Year Plan (2002-07) and Actual Expenditure incurred thereon is given in Appendix-I. The analysis of the data given in Appendix I is given in the succeeding part of the report.

(i) Growth of the Department during the Tenth Five Year Plan Period

3.2 The Department furnished the following data indicating the proposed and agreed to allocation for Tenth Five Year Plan :-

(Rs. in crore)

Year	Proposed Allocation	Agreed to Allocation	RE
2002-03	**16.18**	**10.15**	**7.50**
2003-04	**19.00**	**9.67**	**9.67**
2004-05	**18.67**	**18.25**	**18.25**
2005-06	**322.92**	**107.94**	**90.00**
2006-07	**215.13**	**163.00**	**150.00**
2007-08	**272.33**	**213.00**	

3.3 As regards the growth in allocation of the Department is concerned, during the year 2005-06, there was an enhancement of around 500% in allocation as compared to previous year when the outlay was enhanced from Rs. 18.25 crore to Rs. 107.94 crore. Further, during the year 2006-07 there was growth of around 50% in the outlay as compared to previous year. However, during the year 2007-08, the growth is quite marginal. When asked the comments of the Department on the aforesaid observation, the Ministry stated that the activities of the Department have increased substantially, especially after the Planning Commission recognized Consumer Protection as a thrust area, on a recommendation made by the National Development Council. National Action Plan was formulated by the Department on a suggestion made by the Planning Commission and additional funds to the tune of Rs.312 crore were sought for in the 10th Plan. As a result, the outlay for the year 2005-06 was enhanced from

Rs.18.25 crore in 2004-05 to Rs.107.94 crore. It was further increased to Rs.163 crore in the Annual Plan 2006-07 and Rs.213 crore for 2007-08. With the enhancement of Plan funds, the Department has been able to implement various projects/schemes for the overall benefit of the consumers in the country.

3.5 The Ministry has furnished the following data showing the funds allocated and expenditure incurred on Plan and Non-Plan Schemes during 2006-07 (up to 28.3.07)

PLAN

(In crore Rupees)

Sr. No.	Scheme etc.	Major Head	B.E. 2006-2007	RE 2006-2007	Actual expenditure Upto 28.03.2007	B.E. 2007-2008
1.	National Consumer Disputes Redressal Commission	5475	3.15	3.15	--	4.50
2.	Consumer Protection	3456 3601 3602	81.50 37.40 4.00	76.42 35.20 1.20	75.64 40.76 0.20	71.30 40.00 3.00
3.	Weights & Measures Establishment of Laboratories	5475 3475 3601 3602	9.24 0.01 -- --	3.46 0.01 5.18 0.60	0.52 -- 6.18 0.60	3.40 -- 10.80 2.00
4.	Information Technology	3451	0.75	0.75	0.51	--
5.	National Test House	3425 5425	5.10 1.20	5.10 1.20	3.31 1.20	4.50 18.00
6	Forward Markets Commission	3475	3.00	2.00	1.46	19.50
7	Lumpsum provision for North East project/Scheme for the benefit of North East Region	2552 4552	14.37 2.38	13.77 1.24	0.08 --	18.00 3.60
8	Setting up of Gold Hall Marking/Assaying Centres in India Standardization & Quality Control	2852	0.90	0.72	--	3.60 10.80
			163.00	**150.00**	**130.46**	**213.00**

NON-PLAN

(In crore Rupees)

Sr.No.	Scheme	Major Head	BE 2006-2007	RE 2006-07	Actual expenditure Upto 28.03.2007	B.E. 2007-2008
1	Secretariat Economic Services	3451	8.43	8.76	7.52	9.08
2	National Test House	3425	12.43	12.33	11.51	12.89
3	Consumer Cooperative	3456	1.00	1.00	--	1.00
4	Consumer Protection	3456	2.20	2.52	2.28	2.61
5	Regulation of Weights & Measures	3475	1.81	2.02	1.56	2.33
6	International Cooperation	3475	0.15	0.16	0.20	0.08
7	Regulation of Markets	3475	3.98	3.52	2.69	3.65
8	Project under Consumer Welfare Fund	3456 3601 3602	33.00	9.85 7.00 0.50	2.76 1.47 --	13.10 7.00 0.50
9	Deduct Refund*	3456	-33.00	-17.35	-4.23	-20.60
10	Loans to Super Bazar	7475	5.00	5.00	2.23	5.00
	Total		**35.00**	**35.31**	**27.99**	**36.64**

3.6 When asked about the reasons for not spending the entire funds during 2006-07, the Ministry stated that the surrender of funds with reference to RE 2006-07 to the tune of Rs.4.04 crores in Plan scheme and Rs.5.31 crores under non-plan scheme was worked out as a result of assessment before the close of the financial year. At the time of RE, the allocations were decided as per requirements indicated by various Divisions under various schemes/Heads. During the year 2007-08 the Department propose to start seven new schemes for which Rs. 51.64 crore at Plan and Non-Plan Schemes has been allocated.

3.7 Asked about the plans of the Department to absorb the additional allocation, the Ministry has stated that funds would be utilized for following new Seven Plan Schemes costing Rs. 29 crore for which provision is made in the Budget Estimates 2007-08.

(in thousands of Rupees)

Sl. No.	Scheme	Major Head	Provision in Budget Estimates 2007-08
1.	Consumer Education and Training, HRD/Capacity Building	2552 3456	1.20 10.80
2.	National System for Standardization	2552 2852	0.50 4.50
3.	Development of a National Regulatory System Data Base	2552 2852	0.10 0.90
4.	National system for Assessment and Compliance	2552 2852	0.30 2.70
5.	National Quality Campaign	2552 2852	0.01 0.09
6.	HRD/Capacity Building	2552 2852	0.29 2.61
7.	Consumer Helpline	3601 3602	4.50 0.50

3.8 In addition, an amount of Rs. 25 crore has been provided for expansion of existing office buildings of National Test House at Jaipur, Mumbai and Chennai. An additional amount of Rs. 5 crore has been earmarked for the scheme of State Consumer Helpline. Also there is enhancement in the allocation for strengthening of Weights & Measures Infrastructure from Rs.11.25 crores at BE stage in 2006-07 to Rs.18 crores in the year 2007-08. Follow-up action on these proposals has already been initiated for obtaining approvals wherever necessary and funds would be utilized as per allocations made.

3.9 When the Committee pointed out that already the Department has so many schemes having common objectives and whether there is need to merge the schemes particularly when the allocation under most of the schemes is too little, the Ministry in their post-evidence reply stated that some of the schemes having common objective have already been merged in the MOU signed with the Planning Commission by the Department. These schemes would however continue to be monitored separately as components of the main scheme. In so far as the Consumer Protection is concerned, the Division is administering five schemes namely (i) Integrated Project on Consumer Protection (IPCP), (ii) Computerization and Computer Networking of Consumer Fora in the Country (CONFONET), (iii) NCDRC Building, (iv) National Consumer Protection Authority (NCPA) & (v) Consumer Protection Cell. The aims and objectives of each of these schemes are different and as such, none of them can be merged into a ongoing scheme or two or more schemes merged to form a new scheme.

(ii) <u>Monitoring of Schemes of the State Governments</u>

3.10 On being asked by the Committee to clarify allocation of which of the schemes are directly released by the Planning Commission and under which schemes the Department is releasing the money, the Ministry has reply submitted that State Governments/UTs are getting their budget allocations from the Planning Commission for various schemes being operated in the States. The Department of Consumer Affairs is not aware of particulars of specific schemes of States/UTs. However, since involvement of State Governments in awareness campaign is crucial in taking forward the movement to rural, remote and backward areas, it has been decided to associate the States/UT Governments in expanding the area of consumer awareness through a sub scheme under Central Scheme on consumer awareness, which is being implemented by the Department .The objectives of the scheme are to create consumer awareness through the State and District level machinery for reaching remote and backward areas, targeting rural consumers, educating them of their consumer rights, empowering them with information to redress their grievances.

3.11 The Committee wanted to know how the Department is monitoring the different schemes particularly when the allocations are being made by the Planning Commission, the Department informed the Committee that it is only monitoring the “Special Scheme on Assistance to State Governments/UTs” to create awareness; a sub scheme under the Central Plan Scheme on Consumer Awareness through regular inter-actions with the State Secretaries in-charge of Consumer Affairs and demand of Action Taken Report/ utilization certificate. Evaluation of Scheme is also being put in place.

3.12 The Department further added that Planning Commission is making allocations as a whole and not sub-schemes wise. Under this particular sub scheme on assistance to State Governments, the Division has formulated the monitoring system.

3.13 The Committee note that the Planning Commission has recognized consumer protection as a thrust area and has been allocating enhanced outlay during each year since 2005-06 and the outlay which was Rs. 18.25 crore in 2004-05 was raised to Rs. 107.94 crore in 2005-06. The allocation was further increased to Rs. 163 crore in 2006-07 and for the current financial year, it has been raised to Rs. 213 crore. The Committee are however not satisfied with the reduction of outlay by the Ministry of Finance at Revised Estimates Stage. For example, in 2005-06, BE of Rs. 107.94 crore was reduced to Rs. 90 crore at RE Stage. Similarly, in 2006-07, BE was Rs. 163 crore which was cut to Rs. 150 crore at RE Stage. The Committee are of the view that the curtailment of allocation at RE stage has serious impact on the implementation of the schemes/programmes thereby depriving a large number of consumers from the benefits of the schemes/programmes. While recommending for discontinuing the practice of cut at RE Stage under different schemes, the Committee feel that the Department has to ensure meaningful utilization of outlay to convince Planning Commission/Ministry of Finance not to curtail the allocation under the respective scheme/head.

3.14 The Committee find that the pace of expenditure incurred by the Department of Consumer Affairs has decreased during 2006-07 as compared to the financial year 2005-06. During 2005-06, the level of utilization of fund was 94.28 per cent which has decreased to 85.51 per cent during 2006-07. The plea of the Ministry that they could not utilize the entire fund due to non-finalization of tenders by DGS&D and non-construction of building of NCDRC are not acceptable to the Committee. In the opinion of the Committee, the Ministry should make sincere efforts to get the clearance of tenders by DGS&D and PWD for construction of NCDRC building. The Committee hope and trust that all the procedural formalities would be completed by the Ministry and sincere efforts made to ensure cent per cent utilization of the outlay earmarked during 2006-07.

3.15 The Committee note that the Department has been allocated Rs. 213 crore for the financial year 2007-08 which is 31 per cent higher if compared to RE of 2006-07. Out of this, Rs. 29 crore would be utilized for seven new plan schemes during 2007-08. The Committee have been informed that they have signed a MOU with the Planning Commission to merge these schemes but these schemes would be continued separately for their better monitoring. The Committee find that allocation under every scheme is being made under a separate head as reflected in the Outcome Budget. The Committee fail to understand continuing implementing various schemes separately when the Department has signed MOU with the Planning Commission to merge these schemes. The Committee would like the clarification from the Ministry in this regard. The Committee feel that the different schemes having common objectives need to be merged to have some tangible impact. The Committee would like that the schemes having common objectives out of these proposed new seven schemes with the meagre allocation of Rs. 29 crore should be merged. The shortcomings in the implementation of the various schemes can be addressed by restructuring the weak areas/component of a scheme/programme.

3.16 The Committee note that Planning Commission has been allocating funds directly to the States for some of the Central consumer related schemes without consulting the Department of Consumer Affairs. The Department of Consumer Affairs is neither aware of the particulars of the specific schemes of States/UTs nor about the allocation being made for the schemes by Planning Commission. It is only monitoring a scheme namely Special Scheme on Assistance to State Governments/UTs, a sub-scheme under the Central Plan. The Committee are not happy with the system prevailing in the Planning Commission where the allocations are being made to various States without involvement of the nodal Union Department of Consumer Affairs. Under these circumstances, the Department of Consumer Affairs is helpless to demand action taken reports/utilization certificates or to evaluate the schemes. In the opinion of the Committee, there are possibilities for over lapping of funds. Moreover, there is no monitoring mechanism to ensure that the benefits of the schemes reach to rural, remote and backward areas. The Committee, therefore, recommend that the Department of Consumer Affairs should be provided some sort of role so as to have proper coordination and have an idea of the ground position of consumer awareness in various States.

CHAPATER IV

CONSUMER PROTECTION

(i) Consumer Awareness

Success of consumer movement mainly depends upon the level of consumer awareness generated in the country by educating the consumers about their rights and responsibilities. Level of consumer awareness depends upon the level of literacy and the social awareness of the people. Central Plan Scheme on consumer awareness was launched in the Tenth Five Year Plan with a total outlay of Rs. 15 crore with annual average allocation of around Rs. 3 crore during the first three years of the plan. However, following persistent representations from consumer groups to step up efforts on consumer awareness in the country and the strong recommendation of the Department related Parliamentary Standing Committee, the outlay for the remaining two years of the Tenth Plan i.e. 2006-07 was stepped upto Rs. 69.40 crore each year by the Planning Commission for creating consumer awareness. The year-wise allocation and expenditure is given below:-

(Rs in Crore)

Sl. No.	Year	ALLOCATIONS	Utilized (Rs. In crores)
1.	2004-05	3.30	3.45
2.	2005-06	69.84	68.95
3.	2006-07	69.40	69.40(expected since actual utilization depends upon DAVP's final booking)
4.	2007-08	67.00	-

4.2 It could be seen from the data furnished by the Department that the allocation for consumer awareness has been reduced by Rs. 2.40 crore during 2007-08 as compared to previous year allocation.

4.3 When asked whether the fund allocated for 2007-08 is adequate to meet the requirement of the scheme, the Ministry stated that in order to maintain continuity of the campaign and to make it more focused on specific issues through a multi pronged strategy for reaching even the semi literate or illiterate

consumers in rural and backward areas including the North Eastern Region, the Department requires adequate funds. The budget allocation of Rs. 67 crores for the year 2007-08, is grossly inadequate to run effective campaign covering the entire country. The reach of the campaign could be adversely affected on account of insufficient funds.

4.4 On being asked by the Committee about the details of expenditure of different heads during the year 2006-07, the Department has informed the following data:-

Plan 2006-07 (Advertising & Publicity)

Sl. No.	Medium	Amount (Rs.)
1.	PRINT (DAVP + Creative)	Rs. 6,62,86,143
2.	DAVP (DAVP +creative)	Rs.19,22,74,947
3.	Doordarshan	Rs. 2459,08,631
4.	Sports Events	Rs. 7,67,26,604
5.	Outdoor (SONG & DRAMA)	Rs. 1,03,83,910
6	Grant-in-aid	Rs.10,00,00,000
7.	Miscellaneous	Rs. 24,24,767
		Rs.69,40,05,002

4.5 The Committee note with concern that the Planning Commission has reduced budget allocation for consumer awareness to Rs. 67 crore during 2007-08 as compared to Rs. 69.84 and 69.40 crore allocated each during 2005-06 and 2006-07 which in the opinion of the Committee is inadequate to meet the requirement of the scheme meant for the entire country. The Committee, therefore, recommends that the Department of Consumer Affairs should persue the matter with Ministry of Finance to give due weightage to the Consumer Awareness related schemes and enhance the funds at RE Stage.

Scheme on assistance to States/UTs to create awareness

4.6 Asked whether the Union Government is persuading the State Governments to make adequate allocation for Consumer Awareness in their annual budgets, the Department stated that States and UTs are submitting and getting their budget allocations directly from Planning Commission. However, Department being the nodal Department for consumer welfare and consumer protection has been emphasizing during the quarterly meeting with Secretaries in charges of Consumer Affairs to undertake activities to create consumer awareness Further, in order to actively involve the States and UTs in the consumer awareness campaign, the Department has released an amount of Rs. 7.50 crore to the States/UTs @ Rs.1.25 lakh per district under the Scheme on assistance to States/UTs to create awareness during the year 2006-07. The details of state-wise allocation have been given in the Appendix-IV.

4.7 In addition to above, on receipt of innovative proposals for further assistance from the States of Gujarat, West Bengal, Sikkim, Andaman & Nicobar Islands and Chandigarh Administration, an additional grant amounting to Rs. 2.50 crore was released during 2006-07 to undertake consumer awareness activities.

4.8 When asked about the response of recent publicity measures taken by the Department to create Consumer Awareness in the country, the Department in their reply stated that the impact of the campaign is directly reflected in the response through the facilities of National Consumer Help line (NCH) and CORE in terms of number and nature of complaints and their geographical distribution. These are monitored regularly on a monthly basis. Similarly, the impact of the campaign is also monitored through the growth in number of applications for licence to BIS under the Gold Hallmarking Scheme and for carrying ISI mark on products. The impact of the campaign has also being monitored through quiz contests run in print media and through serials on Doordarshan. Moreover, unsolicited responses and suggestions are being received widely in response to

the campaign. For example, SNDT Women's University, Bombay, intimated the Department of an impact survey of this campaign, through the print media conducted by their Department of Post-graduate Studies and Research in Home Science as part of the Post-graduate studies, which found that 66 per cent of the consumers interviewed by the research team found the advertisements useful.

4.9 Indian Institute of Mass Communications was commissioned in May – June 2006 to conduct an Impact Study on consumer awareness campaign to obtain feed back on the campaign. The sample survey was conducted in 12 States i.e. Madhya Pradesh, Gujarat, Maharashtra, West Bengal, Orissa, Tamil Nadu, Karnataka, Rajasthan, Uttaranchal, Delhi, Assam and Meghalaya, covering 36 districts and 144 villages. As per the survey report (July-August 2006) 62.56 per cent respondents from both urban and rural areas have been found to be aware of the campaign. There is considerable improvement in the awareness level which was found to be 33 per cent during C&AG survey conducted during July, 2005.

4.10 When asked about the role of National Consumer Helpline in generating consumer-awareness, the Department stated that role of the National Consumer Helpline is as under:

(a) Guiding consumers in finding solutions to problems related to Products and Services.
(b) Providing consumers information related to Companies and Regulatory Authorities.
(c) Facilitating consumers in filing complaints against defaulting Service Providers.
(d) Empowering consumers to use available Consumer Grievances Redressal Mechanisms, developing Consumer Awareness about their Rights and Responsibilities.

Consumer Awareness in Rural Areas

4.11 As regards the publicity mechanisms/strategy adopted by the Government to spread Consumer Awareness specially in rural areas, the Department informed the Committee that publicity material such as posters, folders CDs containing consumer related information have been provided to State Governments for distribution by the district administration through Panchayats to take across the messages at the grass root level. Additionally, to ensure active and effective participation of State Governments in creating consumer awareness in rural and backward areas, a scheme has been put in place to provide financial assistance to the States/ UTs to carry out activities such as display and dissemination of relevant publicity material during local festivals, organizing nataks in local languages, associating folk artists to drive home messages on consumer rights; development of audio cassettes of folk songs and their distribution amongst rural masses; organizing exhibitions in the local fairs on specific issues identified by State Government as being relevant to particular area etc. Besides above, cultural activities through Song and Drama Division of the Ministry of Information & Broadcasting have been organized in rural remote areas.

4.12 When asked how much funds would be kept aside for awareness of rural consumers out of total allocation of Rs. 67 crore for Consumer Awareness, the Department stated that the entire multi media campaign is specifically aimed at targeting rural consumers to drive home the messages in an effective manner to the rural and remote areas. As per the media plan 2007-08, it is proposed to use 50 per cent of the entire allocation on electronic media using regional channels of TV, which has reach in remote and rural areas. Besides it, through Grant-in-aid to States/UTs (10 per cent of the budget), it is proposed to organize consumer awareness programmes in rural areas using folk forms/songs, Natakas at local festivals/ Village Haats/Mandis etc. for carrying out the campaign in rural areas including North Eastern Region, Song and Drama Division and Field Publicity Units of the Ministry of Information and Broadcasting and Publicity Units of the

State Governments are proposed to be more extensively involved. The Ministry further added that an amount of Rs. 2 crore is earmarked for printing Meghdoot Post cards containing consumer related information in regional languages and sell the same from Post Offices located in remote rural areas. An amount of Rs. 1 crore will be provided to Song and Drama Division to organize 2000 programmes in rural areas during the year 2007-08.

4.13 The Committee wanted to know whether these awareness programmes are in local dialect/regional language, to which the Ministry replied that audio video spots/ serials/ folk show have been dubbed in local/ regional languages and distributed to States/UTs field publicity units to ensure their reach to the consumers living in remote and backward areas. Doordarshan/ AIR have been used to telecast these spots during popular programmes such as Krishi Darshan and Kalyani as well other entertaining programmes. The Committee asked whether any survey/study has been conducted to assess the impact of these publicity mechanisms especially in rural area to which the Department replied that it had deputed the Departmental officials to carry out on the spot assessment of Song and Drama Programmes organized in rural areas. The Indian Institute of Mass communication was also communicated to undertake an impact survey of the publicity campaign in both urban and rural areas. According to the study the campaign has reached 62.56 per cent consumers (both urban and rural).

4.14 The Committee noted that various mechanisms/strategies of the Department with regard to consumer awareness is big metros specific. On being asked whether the State Governments have been instructed to give proper emphasis to rural areas and efforts made in this regard the Department stated that in association with Song and Drama Division of Ministry of Information and Broadcasting, 1900 cultural programmes have been organized in the rural areas. Meghdodot post cards containing messages have also been sold through Post Offices in the remote areas. Publicity material i.e. posters, folders, calendars have been provided to the State Government to distribute the same through Panchayats in the remote areas.

4.15 The Committee have persistently been insisting on the issue of providing adequate emphasis on consumer awareness in rural areas in their respective reports. In this regard, the Committee note that various initiatives have been taken by the Department by way of using various mechanisms keeping in view the condition of rural areas. In this regard, consumer awareness is being provided through nataks in local languages, folk forms/songs, Village Haats/ Mandis etc. In North-Eastern Region, Song and Drama Division and Field Publicity Units of the Ministry of Information and Broadcasting and Publicity Units of the State Governments are further proposed to be more extensively involved. In addition, Rs. 2 crore have been provided for printing Meghdoot Post Cards containing consumer related information in regional languages and sell the same from Post Offices located in remote rural areas. While noting the initiatives taken by the Department, the Committee feel that the resources provided to the Department are major concern. In view of the reduction in outlay by approximately Rs. 2 crore during the year 2007-08 as compared to previous year, the Department has admitted that the various schemes would be adversely effected. As recommended in earlier paragraph, the Committee emphasize providing adequate outlay so that more emphasis can be provided to consumer awareness in rural areas.

4.16 The Committee further note that to know the exact position of initiatives taken by the Department in respect of rural areas, the expenditure made within the outlay provided for consumer awareness should be reflected separately in the Outcome Budget. The Committee, therefore, recommend to comply with the aforesaid recommendation in the next Outcome Budget.

4.17 The Committee have analyzed the working of the State Commission and District Fora in the subsequent chapter of the report and find that in many States/UTs almost Nil applications were filed up during the last three years. The Committee feel that such a state of affairs is due to the lack of awareness amongst the persons with regard to their right as citizens particularly in the rural and backward areas of the country. The Department should take all the necessary steps to increase awareness in the said areas.

(ii) Consumer Fora

4.18 A three-tier quasi judicial redressal machinery at the National, State and District Level has been set up to provide simple, inexpensive and time bound redressal of consumer grievances against defective goods, deficient services, restrictive/unfair trade practices etc. adopted by any trader or person through summary trials. Filing of a simple complaint on plain paper with the details of the case with supporting documents seeking relief/compensation is enough and it is not obligatory to engage a lawyer. These redressal agencies are popularly known as consumer forums or consumer courts. According to the objects and purposes of the Consumer Protection Act, these quasi judicial bodies are required to observe the principles of natural justice and follow summary trial expeditiously adjudicating the consumer complaints.

4.19 A study had been conducted to assess the difficulties faced by District Fora in West Bengal. A similar study was conducted in Punjab. The Interim Report in case of West Bengal has since been received by the Department. Asked about the findings of the Report and whether similar studies are being conducted in other State Commissions / District Fora as well, the Ministry informed the Committee that final report of the study in respect of West Bengal has been received and is being examined in the Department. Report of the study in Punjab is still awaited. There is no proposal for similar studies in the other State Commissions at present.

4.20 In reply to another question, the Ministry informed the Committee that as reported by NCDRC, seventeen States/UTs are organizing Lok Adalats to settle consumer grievances pursuant to the instructions of President, National Commission.

4.21 The Committee have noted that the activities of Consumer Fora are increasing day by day. Due to consumer awareness in masses, the consumer litigation is also increasing. The Government have set up the consumer courts upto District level. The consumers of the village and remote areas face difficulties in redressal of their grievances through District fora. When asked about the strategy of the Government to set up Consumer Forums at Taluka/Tehsil level for quick disposal of cases, the representative of the Department of Consumer Affairs stated during evidence:-

> "One is that taking the consumer forums right down to the tehsil level. In this what we are working at the moment is that there should be a provision through an amendment in the Act itself for Circuit Benches or Circuit hearing by the District Forums so they will be able to go on to tour to the tehsil level. It may not be possible and desirable to have permanent infrastructure there."

The Secretary further added:-

> "On the issue of having Consumer Forum at the tehsil level, I will only share the experience which the National Commission has on having Circuit Benches. They have started having Circuit Benches. They have gone to Chennai and so on. They feel that the experience has been very good because at that level to go to Chennai or elsewhere or to a State headquarter and to hear cases at the State headquarter has been quite useful. What we feel, to start with, from the district forums can go to the tehsils or block headquarters in case there are a large number of cases. That is certainly left to the Presiding Authority. We will see the experience what it is because given the wherewithal that we have today and the expertise that we have at the district level, we feel that the time may not be ripe to have it at the block level at this stage. Circuit Benches may serve the purpose in case there are some large cases pending. But, in case we require to do something, we can think about it later. So, as of today, the idea is to have Circuit Benches."

4.22 The Committee appreciate that the Department is working on the issue of having Circuit Benches or Circuit hearing Mechanism by the District Fora for speedier disposal of cases pending with respective District Fora. In this regard, an amendment to the Consumer Protection Act is being worked out. The Committee also note that the system of Circuit Benches at National Commission Level has worked well. In the system of Circuit Benches or Circuit hearing, District Forums may go to the Tehsil or Block Headquarters in case there are a large number of cases. The Committee would like that an early decision in this regard should be taken so as to have some sort of mechanism for redressal of grievances of consumers at Tehsil or Block Level.

Non-functional District Fora

4.23 The statement showing functional, non-functional status of District Fora in the country has been given at Appendix-V. It could be seen from the Appendix that out of 607 District Fora in the country, 585 District Fora are functional and 22 District Fora are non functional.

4.24 The Committee are concerned to note that despite their repeated recommendations in the previous reports to make non-functional District Fora functional, still there are 22 Non-functional District Fora in the country. Out of these Non-functional District Fora, three each are in the five States, viz, Arunachal Pradesh, Assam, Bihar, Nagaland and Tamil Nadu. Two each in Gujarat and Uttar Pradesh and one each in Chattisgarh, Kerala and Rajasthan. The reasons for non-functionality of the District Fora are stated to be delay in filling of vacancies of President and Members of the District Fora. The Committee, therefore, recommend that all difficulties should be discussed with the various State Governments and all the 22 non-functional District Foras should be made functional in the current financial year.

Vacancy Position in Consumer Courts

4.25 Further, a statement indicating the vacancy position in the State Commissions and District Fora as made available by the NCDRC is given at Appendix- VI.

4.26 It may be seen from the above statements that out of 607 District Fora, 585 are functional and 22 are non-functional. When asked about the reasons for 22 District Fora being non-functional, the Ministry in their reply stated that the main reason is delay in filling up of the vacancies of Presidents and Members of the District Fora. The information furnished by the Department with regard to vacancy position in the State Commissions and District Fora as indicated in Appendix reveal that so far as the position of State Commission is concerned, two posts of President are lying vacant in two States. Besides, nine posts of Members are lying vacant in State Commission. With regard to District For a, 49 posts of President and 181 posts of Members are lying vacant. Besides, the appointment to the posts of President and Members of the State Commissions and District Fora is the subject matter of the concerned State Government. The Department of Consumer Affairs as well as the President of the National Commission has been urging upon the State Governments to maintain a panel of names so that as and when the vacancy arises the same can be filled up immediately.

4.27 When enquired about the efforts made by the Department of Consumer Affairs to make the non-functional District Fora functional, the representative of the Department stated during evidence:-

> "Wherever there are less number of cases, the State Governments do not appoint Members. There is a proposal to bring an amendment whereby if there is one forum where there is a little case work, it can be clubbed with another forum for the purpose of the President and the Members traveling to these fora and disposing the cases on fixed days in a week. We are providing for it in the Act itself through an amendment. There are also vacancies of Members. In the amendment, we are now trying to put in a provision. There is a Selection Committee that makes a recommendation to the State Government for appointment of Members. Sometimes, the State Government does not appoint Members on time for one reason or the other. So, apart from laying down criteria for appointment, we are also saying that within a given time, they would have to take a decision on the recommendation of the Committee so that the post does not remain vacant for a long time. "

4.28 The Committee are deeply concerned to note that two posts of President and nine posts of Members are vacant in the State Commissions. Similarly, 49 posts of President and 181 posts of Members are vacant in different District Fora. In some of the States, the vacancy position of the Members is worst viz Arunachal Pradesh (16), Bihar (17), Gujarat (13), Madhya Pradesh (17), Rajasthan (31) and Tamil Nadu (21). The Committee have been informed that another reason, which has impeded the disposal of cases in time, is failure to fill the vacancies in the District Fora and State Commissions in time. In this regard, the States/UTs have been advised by the Department to maintain a panel of Presidents/Members to avoid delay in filling the vacant posts. The Committee note with concern that despite instructions, all States are not maintaining a ready panel of President and Members to fill vacancies arising in the District Fora. The Committee feel that this causes hindrance in the smooth disposal of cases. The Committee, therefore, desire that the vacancy position in all the District Fora across the country should be reviewed regularly and all out efforts be made to fill the vacancies at the earliest.

Disposal of Cases

4.29 The Statement showing year-wise filing and disposal of cases in National Commission and State Commission for the last three years has been given at Appendix-VII. The following observations are made from the position indicated in the Statement.:-

4.30 Further, the statement showing year-wise filing and disposal of cases in District Fora for the last three years is given at Appendix-VIII.

4.31 The total number of cases filed and disposed off in National Commission, State Commission and District Courts are as under:-

	2004		**2005**		**2006**	
	Filed	**Disposed**	**Filed**	**Disposed**	**Filed**	**Disposed**
National Commission	4046	4171	3878	4767	5222	4269
State Commission	33029	24945	30286	26375	25158	22207
District Fora	130559	122634	127122	123424	84874	80052

4.32 Further analysis of the data given in the aforesaid statements reveal that in State Commissions of Andaman and Nicobar Islands, Jammu and Kashmir, Sikkim and Manipur, not even a single case was filed during the aforesaid years. The number of cases filed and disposed off in other six State/UTs, viz Arunachal Pradesh, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep, Meghalaya, Mizoram and Nagaland, are in single digit.

4.33 As regards the position of District Fora, in States viz Andaman and Nicobar Islands, Assam, Jammu and Kashmir, Manipur and Mizoram, the number of cases are zero during the last three years.

4.34 A large number of cases are pending with State Commissions States of Andhra Pradesh, Assam , Haryana, Maharashtra and Uttaranchal . Similarly there are a number of cases pending with District Fora of Andhra Pradesh, Punjab and Uttaranchal.

4.35 On being asked about the reasons for poor disposal of cases by many State Commissions /District Fora , the Ministry in the reply furnished to the Committee stated that the main reasons for the poor disposal in the State Commissions is due to filing of large number of cases which include (i) appeals and revision petitions; (ii) non-filling up of the posts of the Presidents and Members in time, (iii) non-creation of additional Benches, and (iv) inadequate staff etc. On the recommendation of the President, NCDRC, the Central Government requested fifteen State Governments to establish 46 additional benches to handle the workload. Most of the State Governments have not yet established the additional benches due to some reason or the other.

4.36 The Committee are not satisfied with the large number of cases pending in the State Commissions as well as District Fora. In some of the States like Andhra Pradesh, Assam, Haryana, Maharashtra and Uttaranchal, a large number of cases are pending with State Commissions of the respective States. Similarly, the position of cases pending with District Fora of Andhra Pradesh, Punjab and Uttaranchal is far from satisfactory. The main reasons for poor disposal of cases in the States as indicated by the Department are (i) appeals and revision petitions; (ii) non-filling of posts of President and Members on time; (iii) non-creation of additional Benches and; (iv) inadequate staff etc. For quick disposal of cases, the Department has requested 15 State Governments to establish 46 additional Benches to handle the work but such Benches have not yet been set up in most of the States. The Committee, therefore, desire that all out efforts should be made to dispose of the cases within prescribed period by setting up additional Benches in the States where pending number of cases are too high. The Committee also desire that a suitable strategy be chalked out in consultation with State Governments to reduce the pending cases to the barest minimum. To achieve this, the Committee recommend that the Government should review periodically the situation in each quarter and issue suitable instructions for the disposal of the cases.

4.37 The Committee further note with concern that in many States/UTs, the number of cases filed in State Commissions and District Fora is almost Nil. For example, in Andaman and Nicobar Islands, Jammu and Kashmir, Sikkim and Manipur, not even a single case was filed in respective State Commissions during the last three years. In addition, the number of cases filed in other six States/UTs viz. Andhra Pradesh, Dadar and Nagar Haveli, Daman and Diu, Lakshadweep, Meghalaya, Mizoram and Nagaland, are in single digit. Similarly, as regards the position of District Fora in many States viz. Andaman and Nicobar Islands, Assam, Jammu and Kashmir, Manipur and Mizoram, the number of cases filed are zero during the last three years. The Committee conclude from the aforesaid information that the State and District Fora are not working properly in various States particularly in the North-Eastern Region, Lakshadweep and hilly States of Jammu and Kashmir. The Committee feel that non filing of almost Nil cases in the State Commissions and District Fora in the aforesaid States is due to lack of awareness amongst consumer about their rights particularly in rural areas. The Committee recommend to the Department to take all the action to know the specific reasons of almost non-functional State Commissions and District Fora in the aforesaid States/UTs and the Committee be apprised of the position. As recommended earlier all the necessary action should be taken to create awareness in consumers particularly in rural and backward areas of the country.

Lack of Infrastructure

4.38 When the Committee enquired whether the Department thought of any strategy to solve the perennial problem of lack of infrastructure, insufficient funds and inadequate staff in State Commissions/ District Fora, the Department in their post-evidence reply furnished to the Committee stated that the responsibility to solve these issues lies on the concerned Governments/Union Territories Administration. These issues are always discussed in periodical meetings with the representatives of all States/UTs held from time to time by the Department as well as NCDRC and the concerned States/UTs who lag on one count or the other are regularly advised to overcome the said bottlenecks in smooth functioning of Consumer Fora. The result of this regular exercise can easily be reflected from the fact that out of 607 District Fora in the country as on today, only 22 are reportedly non-functional (it may keep varying) which account for only 3 per cent (approximately.) of total District Fora further in respect of State Commissions out of 35 State Commissions, none is non-functional. In order to supplement the efforts of the State Governments, the Central Government has been providing as one-time measure, financial assistance to the States/UTs for strengthening the infrastructure of the Consumer Fora. In this regard an amount of Rs. 61.80 crores was disbursed for 458 District Fora and 32 State Commissions in all the 25 States and 7 Union Territories under the scheme of one time grant of 1995 and an amount of Rs. 10.20 crore was disbursed to 53 District Fora and 3 State Commissions in 13 States under the scheme of one time grant of 2004-05. In addition, financial assistance of Rs 40.32 crore to 16 eligible States was released in 2006-07 under the scheme 'Integrated Project on Consumer Protection' so that a minimum level of facilities are provided at each Consumer Form to enable it to function more effectively. Besides the States/UTs were also advised to provide adequate budgetary support for the consumer protection programmes/activities including the provision for adequate staff. The response from the States/UTs were encouraging.

4.39 When asked for not providing the basic infrastructure to the District For a, the representative of Department of Consumer Affairs stated during evidence:-

> "As far as infrastructure in the consumer courts is concerned, under the Act, the District Fora as also the State Commission are the responsibility of the State Governments. There are problems of resources. The Department has been requesting the State Governments to make adequate provisions in their Budget. Many of the State have responded positively. But apart from that the Ministry have started a new scheme, an integrated project which is there to fill in the gaps in the infrastructure. Last year about Rs. 40 crore was given to 16 States for providing infrastructure in the District Fora and the State Commission. Apart from this, the amendment to the Act would take care of a number of things, which would facilitate speedier disposal of cases."

Integrated Project on Consumer Protection

4.40 The scheme of Integrated Project on Consumer Protection envisages provision of financial assistance to States/UTs to supplement their efforts in strengthening the infrastructure of the consumer fora by filling up the critical gaps in infrastructure so that each forum is provided with the minimum facilities. To be eligible for assistance the State/UTs have to fully utilize the one time grant of 1995 released for the same purpose and furnish Utilization Certificates thereof.

4.41 An amount of Rs. 46 crore was earmarked for the scheme during 2006-07 out of which only Rs. 20.34 crore could be utilized upto 31.12.2006 which is less then half of the total amount sanctioned. When asked about the reasons for such low utilization, the Ministry in their reply stated that the Expenditure Finance Committee (EFC) of the Department of Consumer Affairs had approved the scheme of Integrated Project on Consumer Protection in September, 2005 involving an outlay of Rs. 85.00 crores to be implemented during the last two years of the 10th Five Year Plan viz. 2005-06 and 2006-07. However, the scheme was approved by the Ministry of Finance only in June, 2006 subject to certain conditions. As per the guidelines approved for the scheme by the Ministry of Finance, the Department of Consumer Affairs was required to frame the norms

(infrastructural benchmark) in respect of a State Commission and District Forum within the overall ceiling of Rs. 90 lakhs and Rs. 36 lakhs respectively before any proposal could be taken up for consideration. Based on the responses received from the States/UTs as to their requirement of infrastructural support under this scheme, the norms were finalized by the Department of Consumer Affairs in July, 2006. Each district forum/State Commission was to be taken as a project and detailed requirements for infrastructure were to be calculated for each such unit, based on need and existing availability. In case of buildings, estimates were also necessary where there was a case for repair/renovation. This naturally required time for State Governments to send their proposals. As per the guidelines of the Ministry of Finance, a Committee was constituted under the chairpersonship of Additional Secretary (Consumer Affairs) to examine and recommend assistance to individual States/UTs under this scheme. The Committee examined requirements of each forum and the first release under this scheme during 2006-07 was made in October, 2006.

4.42 The Ministry further informed that an amount of Rs. 40.32 crores have been released to 16 eligible States under IPCP scheme by the end of the Financial year 2006-07, the details for which are given below:-

(Amount in Rupees)

Sl. No.	**Name of the State**	**Amount released as First Installment**
1.	Andhra Pradesh	3,99,85,000/-
2.	Sikkim	67,30,000/-
3.	Madhya Pradesh	4,49,52,000/-
4.	Arunachal Pradesh	2,57,80,000/-
5.	Tripura	51,20,000/-
6.	Kerala	2,65,50,000/-
7.	Himachal Pradesh	1,97,27,000/-
8.	Chhattisgarh	2,98,22,000/-
9.	Mizoram	1,54,50,000/-
10.	Gujarat	3,31,92,000/-
11.	Orissa	2,96,61,000/-
12.	Rajasthan	2,73,30,000/-
13.	Maharashtra	3,11,24,000/-
14.	Meghalaya	75,86,000/-
15.	Uttaranchal	1,43,04,000/-
16.	Uttar Pradesh	4,59,00,000/-
	Total:	**40,32,13,000/-**

4.43 The Committee note that lack of infrastructure is the major issue which need to be addressed to make the State Commissions and District Fora effective. In this regard certain outlay is being provided under the scheme 'Integrated Project on Consumer Protection'. Besides the Department is pursuing with the State Governments to provide adequate Budgetary support for the consumer protection in respective programmes/ activities in their State Budgets. The Committee recommend that adequate outlay should be provided under the aforesaid scheme so that the maximum help could be provided to the State Commissions and District Fora to address the problem of inadequate infrastructure. Besides the Committee would also like the Department to pursue further with the State Governments to make provision of outlay for consumer protection in their State Budgets.

(iii) Construction of Upbhokta Bhawan

4.44 Construction of Upbhokta Bhawan at INA has been in the pipeline since long. An amount of Rs. 5 crore was earmarked for construction of NCDRC building at INA during 2006-07. However the entire fund remained unutilized due to non-execution of work by CPWD. On being asked by the Committee about the reasons for non execution of work in this regard, the Ministry in the reply stated that the Department of Consumer Affairs has been taking up the matter regarding early construction of building for NCDRC with the Ministry of Urban Development at the highest level from time to time. It may be added here that after getting the recommendations of the Standing Committee, the matter was again taken up with the Ministry of Urban Development at Secretary level on 13 June, 2006 for early clearance for construction-drawings of the building so that the funds allocated for the purpose are utilized in the financial year itself and the work of construction of the building could be completed as per schedule. Inviting attention to concerns of the Parliamentary Standing Committee, the Ministry of Urban Development has also taken up the matter on 26 June, 2006 with Municipal Corporation of Delhi for early clearance of construction-drawings of the building requesting them to intimate action taken in compliance of the recommendations of the Standing Committee, at the earliest. The Municipal Corporation of Delhi (MCD) has already approved the layout plan for General Pool Office Complex at INA. The Ministry of Urban Development has again taken up the matter with the MCD for early clearance of the plans/drawings of the proposed building of the National Commission. The Department is also following up with the MCD.

4.45 The Committee note that decision has been taken to provide a decent space to National Consumer Dispute Redressal Commission and as such specific allocation is being earmarked since the year 2004-05 Rs. 5 crore were allocated during 2004-05. However the amount could not be utilized and was diverted to revenue head at the Supplementary Grants stage. Subsequently during the year 2006-07 the outlay of Rs. 3.15 crore was earmarked and remained unutilized. Now again during the year 2007-08 Rs. 4.5 crore has been allocated for the construction of Upbhokta Bhawan, a building to accommodate National Consumer Dispute Redressal Commission (NCDRC). The Committed note that in pursuance of the recommendations of the Standing Committee the matter is being taken up by the Department of Consumer Affairs with the Ministry of Urban Development at the highest level.

4.46 Ministry of Urban Development too has taken up the matter with Municipal Corporation of Delhi (MCD) for early clearance of construction of the building. Whereas the lay out plan has been approved by Municipal Corporation of Delhi (MCD), the clearance of plans/drawing of the proposed building is still pending with the Municipal Corporation of Delhi (MCD). While noting the aforesaid position, the Committee emphasize to pursue the matter further with the Ministry of Urban Development so that the work on the construction of the Upbhokta Bhawan Building starts during the year 2007-08 and the allocation made is meaningfully utilized.

(iv) Consumer Welfare Fund

4.47 In 1991, the Central Government amended the Central Excise and Salt Act, 1994 to create a Consumer Welfare Fund. The Fund has been set up by the Department of Revenue and is being operated by the Department of Consumer Affairs. The money which is not refundable to manufacturers is credited to the Fund. The main objective of the fund is to provide financial assistance to promote and protect the welfare of the consumers, generate consumer awareness and strengthen consumer movement in the country particularly in rural areas. So far a sum of about Rs. 134.36 crore has accrued to the fund and an expenditure of Rs. 38.05 crore has been incurred.

4.48 In order to promote consumer movement throughout the country, the State Governments and Union Territory Administrations have been impressed upon to create their own Consumer Welfare Fund. For strengthening financial support, the ratio of amount of seed money to be provided to the States/UTs have been increased from 1:10 to 50:50 (Centre:State). This ratio has further been enhanced to 90:10 in the case of 13 special category States as per decision taken in the 39th CWF Standing Committee meeting. So far the State level Consumer Welfare Fund have been created in the States of Andhra Pradesh, West Bengal, Gujarat, Rajasthan, Orissa, Karnataka, Tripura, Sikkim, Maharashtra, Punjab, Uttar Pradesh, Jammu & Kashmir, Arunachal Pradesh, Goa, Haryana, Mizoram, Uttaranchal, Chhattisgarh and Tamilnadu. An amount of Rs. 75 lakh have been sanctioned till October 2006 during 2006-07.

4.49 The year-wise fund allocated, funds utilized and balance at the end of financial year for the year 2005-06 and 2006-07 is given below.

(Rs. in crore)

Year	Fund allocated	Fund utilized	Balance
2005-06	**31.50**	**8.56**	**22.40**
2006-07	**17.35**	**4.23**	**13.12**
2007-08	**20.60**		

4.50 The position of seed money given to various States is given below:

State Consumer Welfare Fund – Seed Money given

Other States:

(Rs. in lakhs)

S.No	State (No. of Districts)	State share	Central share	Central share released on	Framing of guidelines for State CWF
1	Andhra Pradesh (23)	131.00	25.00	7-6-05	Submitted
2	Goa (2)	5.00	4.50(-0.50)	Sanction dtd. 29.3.06*	Not submitted
3	Haryana (19)	25.00	25.00	16-2-06	Submitted
4	Gujarat (25)	25.00	22.50(-2.50)	6-4-05	- do -
5	Maharashtra (35)	50.00	46.50(-3.50)	15-7-05	- do -
6	Karnataka (27)	50.00	47.00(-3.00)	15-7-05	Not submitted
7	Orissa (30)	50.00	47.00(-3.00)	21-4-05	Submitted
8	Punjab (17)	10.00	10.00	14-7-05	Not submitted
9	Uttar Pradesh (80)	50.00	50.00	31-10-05	Not submitted
10	Rajasthan (32)	27.00	27.00	5-5/18-11-05	Not submitted
11	West Bengal (18)	25.00	25.00	10-5-05	- do -
12	Chhattisgarh (16)	25.00	25.00	Sanction dtd 27-9-06*	- do -
13	Tamil Nadu (29)	50.00	50.00	Sanction dtd 13-10-06	- do -

Special Category States:

(Rs. Lakhs)

S.No	State (No. of Districts)	State share	Central share	Central share released on	Framing of guidelines for State CWF
1	Jammu & Kashmir (14	3.00	27.00	1-9-05	Not submitted
2	Arunachal Pradesh (1	6.20	27.00	Sanction dtd 28.3.06*	Submitted
3	Mizoram (8)	3.00	27.00	Sanction dtd 29.3.06*	Submitted
4	Sikkim (4)	2.50	5.00	30-8-2005	Submitted
5	Uttaranchal (13)	1.50	12.00(-1.50)	Sanction dtd. 29.3.06*	Not submitted
6	Tripura (4)	1.00	5.00 + 4.00	15-7/1-9-05	- do -

4.51 The statement has furnished the following statement showing the utilization certificates pending in respect of grants/loans released as on 1 April, 2007 has been given in the Appendix-IX. It could be seen these from the statement that utilisation certificateds for Rs. 46,26,025 /-are outstanding.

4.52 When asked about the action taken by the Government in the matter of defaulting NGOs/VCOs who have not yet furnished the utilization certificates in respect of funds released to them 5-6 years back, the Ministry informed the Committee that as per the advice of the Standing Committee in its previous meeting, CVC was requested for appropriate advice in the matter. CVC has advised this Department to conduct a preliminary enquiry to assess the violation and misuse of Government funds by the NGOs and to lodge a complaint with the CBI. The Department has further informed that the matter has already been taken up with the States and Union Territories.

4.53 When enquired whether the Department has black listed any of the NGOs/VCOs and debarred from the future benefit of the funds during the last three years for embezzlement of funds, Ministry replied in negative. As directed by the Standing Committee, the name of the organizations which have not furnished the utilisation cerfificates have been put in the website of the Department.

4.54 The Committee note with concern that the Ministry has not been able to utilize the entire fund earmarked under the scheme 'Consumer Welfare Fund'. Every year a huge amount is provided but only one fourth of the fund is being utilized by the Government. Most of States have not submitted the information regarding framing of guidelines for State Welfare Fund. Further utilization certificates in respect of Rs. 46,26,025 for the funds released to NGOs/VCOs since 1994-95 have not been received. The Committee while examining the Demands for Grants of the previous year (refer para 3.40 of 13 report) had recommended to get the matter examined in consultation with the Central Vigilance Committee (CVC) so as to fix the accountability of such NGOs/VCOs . In pursuance of the aforesaid recommendation of the Committee the Department had sought the advice of CVC and CVC had advised to conduct a preliminary enquiry to assess the violation and misuse of Government fund by NGOs and to lodge a complaint with CBI. As regards the latest position in this regard the Department has taken up the matter with the concerned States and Union Territory Administrations . The name of NGOs have also been put on the website of the Department. The Committee strongly recommend to the Department to pursue further with the State Governments/ Union Territory Administrations and to ensure that the preliminary enquiry is conducted at the earliest against the aforesaid NGOs/VCOs. As recommended earlier by the Committee aforesaid NGOs/VCOs should be black listed so as to debar them from any Government funding.

4.55 The Committee note that the Consumer Welfare Fund was set up by amending the Central Excise & Salt Act. The main objectives of the fund are to provide financial assistance to VCOs, NGOs, State Government etc. for promoting and protecting the welfare of consumers, to generate consumer awareness and strengthening consumer movement in the country particularly in rural areas. The ratio of seed money was also increased from 10:90 to 50:50 (Centre/State) with a view to set up such funds in the States and UTs at the earliest. The special category States were to be provided the assistance in the ratio of 90:10. The Committee note that 19 States have set up the State Welfare Fund and the remaining States are yet to initiate any action for setting up of State Welfare Fund. The Committee desire that the defaulting States may be impressed upon to set up such State Welfare Fund at the earliest and the Committee be apprised thereof.

CHAPTER-V

REVIVAL OF SUPER BAZAAR

The Cooperative Store Ltd. popularly known as Super Bazaar, was registered under the Bombay Cooperative Societies Act, 1925 as extended to the Union Territory of Delhi under Registration No. 284(s) dated 25 June, 1966. During January 1996, it has been registered under the Multi State Cooperative Societies Act, 1984. The accounts of the Super Bazaar were audited upto the year 2006-07. Since the Cooperative Store Ltd. (Super Bazaar) was continuously running on loss, the Central Registrar of Cooperative Societies & Joint Secretary in the Department of Agriculture and Cooperation, after following the due procedure, issued order for winding up of the Super Bazaar on 5 July, 2002 under sub section (2) of section 77 of Multi State Cooperative Societies Act, 1984 and appointed a Official Liquidator (OL) to complete the proceedings. The Liquidator assumed office on 25 July, 2002. The Super Bazaar Dalit Karamchari Sangh filed a special Leave Petition (SLP) in the Supreme Court of India for revival of Super Bazaar.

5.2 The BE, RE and Actual Expenditure (AE) incurred as loans to Super Bazaar during the financial year 2005-06 and 2006-07 and BE for 2007-08 is as under:-

YEAR	BE	RE	AE
2005-06	00	0.42	NIL
2006-07	5.00	5.00	2.23
2007-08	5.00		

5.3 When asked about the reasons for very less utilization of funds during (2006-07), the Committee was informed that **a**n amount of Rs.5 crore was provided by the Government during the year 2006-07 for making payment of salary to skeleton staff and terminal benefits to the outgoing employees of Super Bazaar. Out of this amount, Rs.2,25,44,000 was utilized by the Super Bazaar and the balance amount of Rs.2,74,56,000 has been surrendered. The employees are expecting the revival of Super Bazaar through Special Leave

Petition No. 8398-99/2005, which is pending in the Supreme Court. Most of the employees are not coming forward to accept their retrial dues. However, for avoiding the legal problems, the allocation of funds is essential.

5.4 The last hearing on Super Bazaar was on 15 March, 07. In this context, the Committee enquired the latest position on revival of Super Bazaar. The Ministry in a note furnished to the Committee stated that during the hearing held in the Supreme Court on 15 March, 2007 in respect of Special Leave Petition No.8398-99/2005 relating to revival of Super Bazaar, the counsel appearing on behalf of the Reliance Industries submitted that in view of the affidavit of the Government that the amendments sought for in Multi State Cooperative Societies Act cannot be made with a view to permit M/s. Reliance Industries to make investments without being a Multi State Cooperative Society, M/s. Reliance Industries may be permitted to withdraw the amount deposited with the Official Liquidator on 8th June, 2006 as earnest money pursuant to the Order of the Court. The Supreme Court accepted the prayer of M/s. Reliance Industries Ltd. and directed that the amount deposited by the Reliance Industries as earnest money pursuant to the Court's Order be refunded to Reliance Industries. Having regard to the submissions urged before the Court, the Court observed that it will be advisable in the first instance for the counsel appearing for the Indian Potash Ltd. and Indian Labour Cooperative Society and the Additional Solicitor General appearing on behalf of the Union of India to have a discussion with regard to the modalities, and if necessary, to consult the Registrar of the Cooperative Societies concerned as well, so that a clear picture is emerged as to the modalities to be approved for reviving the Super Bazaar. The Central Registrar of Cooperative Societies has already informed the modalities to the Additional Solicitor General for onward submission to the Supreme Court.

5.5 On 4 April, 2007, Hon'ble Supreme Court accepted the proposal of Ms. Indian Potash Ltd. and Indian Labour Cooperative Society with the condition to match with the bid of Reliance Industry Ltd. for Rs. 288 crore. The court also directed the Central Registrar of Cooperative Societies, Department of Agriculture & Cooperation to act as per provisions of MSCS Act and implement the modalities as suggested by Central Registrar of Cooperation Societies through ASG before the Court. The progress of the case is to be reported to Hon'ble Supreme Court on 10 May, 07.

5.6 The Committee note that Rs. 5 crore was earmarked during 2006-07 for making payment of salary to skeleton staff and terminal benefits to the outgoing employees of the Super Bazaar. Out of this, Rs. 2.25 crore has been utilized and the balance amount of Rs. 2.75 crore has been surrendered as the employees have refused to take this money as they were expecting the revival of Super Bazaar by an order of Supreme Court. Now, the Supreme Court after consulting the Central Registrar of Cooperative Societies have decided to accept the proposal of M/s Indian Potash Limited and Indian Labour Cooperative Societies with the condition to match the bid of Reliance Industry Ltd for Rs. 288 crore. The Committee desire that the guidelines framed by Hon'ble Supreme Court for revival of Super Bazaar should be strongly adhered to. It should be ensured that there is financial accountability on the part of future management and employees of Super Bazaar, the services of the employees who are not getting terminal benefits should be regularized from the date of closing of the Super Bazaar. Besides, the Government should strengthen its monitoring mechanism over the functioning of the Super Bazaar so that the consumers may get the essential commodities at reasonable prices.

CHAPTER VI

PRICE MONITORING OF ESSENTIAL COMMODITIES

Prior to 1990 i.e. before the liberalization of the economic policy, the country has been facing with shortages and unexpected price rise in respect of commodities considered essential to the society. Therefore, to meet the situation and to check unscrupulous activities of hoarding and moping up of profits by the manufacturers/producers the Central Government in consultation with State Governments had to declare such commodities as essential. Therefore, till 1990 a number of commodities were included in the list of commodities by issue of Central Notifications under the Essential Commodities Act, 1955. But after the adoption of liberalization of economic policy by the Country the availability of the supply position of many of the essential commodities was found to have been improved. But it was also found necessary that the stringent regulations under the Essential Commodities Act should be done away with as far as possible. Accordingly, periodical review of the list of essential commodities was carried out from time to time with reference to the production and supply of these commodities in the light of economic liberalization in consultation with the concerned Ministry/Department administering these commodities. Therefore, the list of Essential Commodities was gradually reduced from 70 in 1990 to 15 before the enactment of Essential Commodities(Amendment) Act, 2006. Under the Essential Commodities(Amendment) Act, 2006 only 7 commodities have been retained as essential commodities which are considered essential to protect the interest of the farmers and the large section of people below poverty line.

6.2 In the Essential Commodities (Amendment) Act, 2006 following 7 items have been retained as essential commodities:

(1) Drugs.

(2) Fertilizer, whether inorganic, organic or mixed;

(3) Foodstuffs including edible oilseeds and oils;\

(4) Hank yarn made wholly for cotton

(5) Petroleum and petroleum products;

(6) Raw jute and jute textiles;

(7) (i) Seeds of food-crops, seeds of fruits and vegetables;

(ii) Seed of cattle fodder; and

(iii) Jute seeds.

6.3 When the Committee asked whether seven essential commodities as 7 are too less, the representative of Department of Consumer Affairs, during evidence stated that the Standing Committee had recommended long ago in the context of WTO that the Essential Commodities Act should only be retained as an umbrella legislation to be invoked in times of scarcity or abnormal situations. Keeping that in view, we have been amending or reducing the number of items. Now, the number of items is seven.

6.4 The Price Monitoring Cell (PMC) in the Department of Consumer Affairs is entrusted, *inter-alia,* with the task of monitoring of the prices and availability position of essential commodities in the country and other matters concerning price scenario based on the information received from the State Food and Civil Supplies Departments.

6.5 The Price Monitoring Cell of the Department of Consumer Affairs and Committee of Secretaries regularly reviews the prices and availability of essential commodities and recommends appropriate necessary action to check the rise in prices.

6.6 A statement showing the comparative price situation as on date (29.3.07) vis-à-vis date of extension of Central Order (27.2.07) and imposition of Central Order (29.8.06) in Delhi is given below:

Commodity	Retail price at **Delhi** (Rs per kg)			Variation over **29.3.07** 29.8.06	Variation over **29.3.07** 27.2.07
	As on 29.8.2006 *Imposition of Central Order*	As on 27.2.2007 *Extension of Central Order*	**Current Date As on 29.3.2007**		
Wheat	11.00	12.00	**12.00**	*1.00*	*0.00*
Gram dal	34.00	35.00	**32.00**	*-2.00*	*-3.00*
Tur dal	34.00	36.00	**35.00**	*1.00*	*-1.00*

6.7 To a query whether the Government has banned/ is contemplating to ban future contracts in the essential commodities as well, the Committee was informed that FMC has on 22 January, 2007 directed the three National Exchanges, namely (i) Multi Commodity Exchange of India Ltd., (ii) National Commodity & Derivatives Exchange Ltd., (iii) National Multi Commodity Exchange of India Ltd. to delist all contracts of tur and urad and to close out all outstanding positions in all tur and urad contracts at the closing price of 23 January, 2007 Besides, FMC has on 27 February, 2007 directed all the three National Exchanges that no new wheat and rice contracts be launched and also revoked permission already granted to yet to be launched contracts. FMC also disallowed new positions to be taken in the existing contracts in wheat and rice. The Government have set up on 2 March, 2007 an Expert Committee under the chairmanship of Professor Abhijit Sen, Member, Planning Commission to study whether and to what extent futures trading has contributed to the rise in prices of agricultural commodities in recent times. The Report of the Committee is awaited.

6.8 Elaborating on measures for price control, the representative of Department of Consumer Affairs, stated during evidence as under:-

> "During the year 2002-2003, all stock holding limits were removed and all licensing restrictions on movement, etc. were totally done away with. Then when the prices rose up last year, at the instance of the State Governments, we issued a new Control Order on the 29th of August, 2006, whereby we authorized the State Governments to fix the stock limits in case of wheat and pulses. The prices of these two commodities were going up exceptionally high. In fact, before we issued the notification on the 29th of August, we had a meeting with the State Secretaries, and we impressed upon them the need for taking up de-hoarding operations. Then, we issued a comprehensive letter to the State Governments again on the 30th of August telling them to exercise the powers vested with them under the Essential Commodities Act to take up de-hoarding operations. De-hoarding, of course, would really take place only once we have a fixation of the stock limit because then only you can say that you cannot stock beyond this. So, we have been repeatedly asking the State Governments what are the stock limits that they have fixed and what actions they have taken. We have been individually writing to the State Governments wherever no action is taken. We are very much worried about the State Governments, which are not taking action, and we have been constantly following it up with them. Now, six States have fixed the stock holding limits. The other States are also now taking up a system whereby information about stocks held is being reported. That enables the State Government to see how much stocks of different commodities are available within the State."

6.9 As regards hoarding and black-marketing, the Department of Consumer Affairs is administering the Essential Commodities Act, 1955 and the Prevention of Black-marketing and Maintenance of Essential Supplies Act, 1980. Action against hoarders and blackmarketeers is undertaken by the State Governments under the provisions of the following two Acts:-

(a) The Prevention of Black-marketing and Maintenance of Essential Supplies Act, 1980 is being implemented by the State Government/UT Administrations for prevention of unethical trade practices like hoarding and black-marketing. The Act empowers the State Governments to detain persons whose activities are found to be prejudicial to the community.

(b) In exercise of the powers delegated to the State Governments, various State Governments are issuing Control Orders regulating

production, distribution, pricing and other aspects in respect of commodities declared essential.

6.10 Asked whether the Government propose to review the working of PMC/HPPMB as the prices of Essential Commodities have risen unabated, the Committee have been informed that no such proposal to review the working of PMC/HPPMB is with the Government at present.

6.11 Statement showing the number of raids conducted, number of persons arrested, prosecution launched and convicted for violation of Essential Commodities Act, 1955 and under the Prevention of Black-Marketing and Maintenance of supplies of Essential Commodities Act, 1980 during 2006 is given at Appendix-X. During the year 2005 the number of raids conducted were 94356 and the number of persons convicted were 39 . During 2006 the number of raids conducted were 135025 and the number of persons convicted were 498.

6.12 The following statement indicates the number of detentions made under the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 for the last two years, State-wise and year-wise is as under :

Name of the State	2005	2006
Gujarat	101	85
Tamil Nadu	07	74
Orissa	02	01
Maharashtra	01	01
Total	**111**	**161**

6.13 From the above statement, it may be noted that the conviction rate and punishment meted out to the hoarders and black-marketers is very minimal. Asked whether there is a proposal for strengthening the enforcement machinery to take stringent action against these people, the Ministry informed the Committee that **a**ction under the Essential Commodities Act, 1955 and Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 is undertaken by the States/UTs. The raids, arrests and institution of cases, etc. are also conducted by them. These two Acts provide adequate powers to the State Governments./UTs to take action against

unscrupulous persons indulging in hoarding and black marketing of essential commodities. State Governments are, therefore, periodically advised to take effective action against such unscrupulous persons under the provisions of these Acts.

6.14 Asked whether the Government has extended the validity of the Central Order dated 29 August, 2006 issued under the Essential Commodities Act, 1955 to enable State Governments to invoke stock limits in respect of wheat and pulses and the impact of this order on the current price situation, the Ministry informed the Committee that in the wake of the present trend in prices, Government, apart from taking a number of steps to augment supplies, decided to keep in abeyance certain provisions of the Central Order dated 15 February, 2002 in so far as they related to wheat and pulses vide Removal of (Licensing Requirement, Stock Limits and Movement Restriction on specified Foodstuffs), Amendment Order, 2006, which was notified on 29 August, 2006. Hereby provisions of the earlier Order in so far as they related to the purchase, movement, sale, supply, distribution or storage for sale for wheat and pulses were kept in abeyance for a period of six months. These orders however, did not apply to inter-State movement or to import of these two commodities. The Order of 29 August, 2006 was initially in force for a period of six months. This Order has now been extended for a further period of 6 months from 1 March, 2007 vide Central Notification dated 27 February, 2007. This would enable the State Governments /UTs to take appropriate action against the hoarding of these two commodities.

6.15 There is standing order issued to all the State Governments / UT Administrations to submit monthly reports to the Department of Consumer Affairs indicating the action taken under provisions of Essential Commodities Act, 1955 as also Prevention of Black Marketing and Maintenance of supplies of Essential Commodities Act, 1980. Asked **w**hether the Government is receiving the required information from all the States / UTs, the Committee was informed that State Governments. and UT Administrations are not regularly furnishing the monthly reports in spite of reminders being sent to them from time to time. Reminders have also been sent at the level of Additional Secretary to the concerned Principal Secretaries/Secretaries-in-charge of Department of Consumer Affairs,

Food & Civil Supply of the State Governments/UT Administrations. The reminders sent at the highest level have also not yielded positive results from some State Governments/UT Administrations. Some of the State Governments/UT Administrations do not respond at all even after contacting them on telephones. However, every effort is made regularly to obtain monthly reports from most of the State Governments/UT Administrations. In this connection, it would also be imperative to mention here that all the Chief Secretaries of the State Governments/UT Administrations were addressed vide this Department's D.O. number 13/1/2003-ECR&E dated 20th October, 2003 from the then Additional Secretary, Department of Consumer Affairs to send monthly reports in respect of action taken under the Essential Commodities Act, 1955 as well as the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980 in the prescribed proforma-I & II. Subsequently also number of reminders have been issued to the State Governments to send monthly reports. Further in the meeting with the Food and Consumer Affairs Secretaries of State Governments/UTs held on 19 January, 2007 in New Delhi, it has been emphasized upon them to send the monthly action taken reports in the prescribed proforma by the stipulated time. Despite all these efforts some State Governments. viz. Bihar, Jharkhand, Rajasthan, Tripura and Daman & Diu are at all not sending any action taken report.

6.16 The Committee find that Price Monitoring Cell (PMC) set up for monitoring the availability of essential commodities has not been able to check the rise in prices and due to that, during last one year, the prices of wheat, pulses and edible oils have risen manifold. In order to control the prices of foodgrains, the Government have issued a new Control Order on 29 August, 2006 to authorize the State Governments to fix the stock limit in case of wheat and pulses and empower them to initiate action against the hoarding of these commodities. The Order was initially applicable for six months. However, the validity of the order has now been extended for a further period of six months from 1 March, 2007.

The Department has further informed that as per the Standing Order, all the State Governments/UT Administrations have to submit monthly reports to the Department of Consumer Affairs indicating the action taken under the provisions of Essential Commodities Act, 1995 as also Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980. The State Governments and UT Administrations are not regularly furnishing the monthly reports inspite of reminders being sent to them from time to time. Inspite of taking all the efforts, some State Governments viz. Bihar, Jharkhand, Rajasthan, Tripura, Daman and Diu are not at all sending any Action Taken Reports. The Committee take serious note of the State Governments not furnishing the monthly reports. The Committee would like that the Department should take the issue at the highest level in various State Governments and take the desired initiatives in this regard. The Committee should also be kept apprised.

6.17 The Committee note that Essential Commodities Act, 1955 and Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 empowers the State Governments/UTs to take action against the unscrupulous persons indulging in hoarding and black marketing of essential commodities. During 2006, 1,35,025 raids were conducted all over the country. 5,421 persons were arrested, 3,244 persons were prosecuted and 498 persons were convicted. The Committee are not happy with the low conviction rate which comes to just 10 per cent of the persons arrested and about 6 per cent of the persons prosecuted. The status Reports under these Acts are not reported by nine States which indicates the poor monitoring of the schemes by the Central Government. Besides, only four States namely, Gujarat, Tamil Nadu, Orissa and Maharashtra have made detentions under the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980. The Committee view the situation seriously and recommend that the Government should persuade with the States/UTs to strengthen their enforcement machinery. They also desire that the other States should be directed to make detention orders under these Acts.

CHAPTER VII

REGULATION OF FORWARD MARKETS

Forward trading in commodities started in India with the first contract introduced in cotton in 1875 by the Bombay Cotton Trade Association Ltd. Subsequently, many regional Exchanges like Gujarat Vyapar Mandali (1900) for oilseeds, Chamber of Commerce at Hapur (1913) and East India Jute Association Ltd. (1927) for raw jute etc. came into existence. After Independence, the Forward Contracts (Regulation) Act, 1952 (FCR Act) was passed by the Parliament to regulate this market. Forward Markets Commission (FMC) was set up in 1953 at Mumbai as the Regulator under the provisions of the FCR Act.

System of Regulation of Forward Trading in Commodities

7.2 There are three tiers of regulation of forward trading in commodities viz. the Central Government, Forward Markets Commission and the Recognized Commodity Exchanges/Associations. The Central Government broadly determines the policy as to the commodities in which forward trading is to be permitted as well as the territorial area in which the same is to be permitted and the recognition of the Exchange/Association through which such trading is to be permitted. The Forward Markets Commission performs the role of approving the Rules and Regulations of the Exchange, subject to which trading is to be conducted, accord permission for commencement of trading in different contracts, monitor market conditions continuously and take remedial measures whenever required. The Recognized Exchanges provide the framework of Rules and Regulations for conduct of trading, prescribe the place where the trading is to be conducted, and is responsible for reporting and recording of contracts, execution and settlement of contracts, for exchange of documents and payments etc. The Exchange acts as a Self Regulatory Organization (SRO).

7.3 The BE, RE and actual expenditure (upto 31.12.06) during 2006-07 and BE for 2007-08 in respect of schemes under Forward Markets Commission are as under :-

(Rs. in crore)

Schemes	BE	RE	Actual Exp.	BE 2007-08
Plan Scheme	3.00	2.00	0.88	20.00
Non-Plan Scheme	3.98	3.52	2.21	3.65
Total	6.98	5.52	3.09	23.65

7.4 Asked about the reasons for reduction of funds of plan schemes at RE stage and the reasons for shortfall in expenditure, the Committee was informed that the reduction in the funds at RE stage was because of reduction of funds under the Plan Scheme 'Strengthening of FMC'. The Department has further given in detail the reasons as given below:-

(i) Anticipating the autonomous status and consequent increase in strength of staff with the passage of the Forward Contracts (Regulation) Amendment Bill,2006, FMC had proposed to move to a rented premises during the year. However, as the Bill was not passed, the negotiations for new accommodation were also delayed and were not finalized due to which the funds had to be reduced by Rs.85 lakhs under the Head 'Rent, Rates and Taxes'.

(ii) The recruitment procedure for the officers could not be completed on time as sufficient response was not received from suitable candidates for deputation. New Hardware which was to be procured for the fresh staff was not purchased. Accordingly, the funds were reduced by Rs.15 lakhs under the Head 'OE(IT)'.

7.5 The Committee enquired the reasons for enhanced allocation during 2007-08. the Ministry in a note furnished to the Committee stated that the funds have been augmented taking into consideration the recommendations of the Parliamentary Standing Committee in its report on the Forward Contracts (Regulation) Amendment Bill, 2006 to widen the scope of awareness programmes and to network/link APMCs, hatts, Panchayats and commodity Exchanges. During 2007-08, Rs.10 crores have been allocated for networking/

dissemination of futures prices at APMCs, etc. The dissemination of futures prices at APMCs, etc. would help the farmers in taking appropriate marketing and acreage decisions. This is a major activity identified for the Eleventh Plan and under the Annual Plan for 2007-08 of FMC. Besides, the allocations under 'Capacity Building / Training and Consultancies' has also been increased to Rs.1.1 crores (from Rs.0.55 crore during 2006-07) and the allocation under 'Awareness Development Programme' has been increased to Rs.2.5 crore (from Rs.0.47 crore during 2006-07).

7.6 Asked whether it is a fact that the Commodity Exchanges are by and large responsible for rise in price of Essential Commodities particularly wheat and pulses and the remedial action taken by FMC/GOI to curtail the prices of such commodities, the Committee have been informed that futures markets are only a platform for price discovery and hedging. Futures trading in commodities plays two important roles of price discovery and price risk management. It is used as an institution for hedging and price discovery. It gives an advance price signal of what is expected price based on which one can decide the course of action to be taken by him. The prices of the commodities are governed by the supply and demand factors. The regulator ensures that prices are true reflection of supply and demand factors.

7.7 It is a general perception that trading in futures market leads to increase in price rise of commodities in open market. Asked whether any assessment/ study has been done/ whether the Government is planning to conduct a study to assess the impact of commodity futures trading on price in open market, the Committee was informed that the Government have set up on 2 March, 2007 an Expert Committee under the chairmanship of Professor Abhijit Sen, Member, Planning Commission to study whether and to what extent futures trading has contributed to the price-rise in agricultural commodities in recent times. The Committee has been asked to submit its report in two months. So far no specific study has been conducted by this Department to look into the factors that cause recurring price rise due to persistent shortage of perishable commodities of everyday use.

7.8 When asked by the Committee whether any survey has been done to study how many farmers are there in the country who have limited agricultural land, the Department replied that no survey has been done by this Department so far. However, as per the Agriculture census in the year 1995-96, total number of marginal operational holdings were 2.81 crores and small operational holdings were 3.07 crores constituting 80.3 per cent of the overall land holdings in the country.

7.9 As per the revelation of NSSO Survey, 71 per cent of country's farmers had not even heard of the Minimum Support Price (MSP) and 81 per cent were effectively unaware of how to use the MSP. In this context, when asked by the Committee how does the Government expect the farmers to take the benefit of futures market and advance signals and whether the Government feel that their first priority should be to stress on awareness programmes to empower & enlighten the farmers about the benefits of future market, the Department has now furnished that the farmers can derive benefits from the futures market either through direct participation or by using the price signals emanating from the Commodity Exchanges in planning their acreage and marketing decisions. The farmers generally do not directly participate in the futures market, even in the developed countries. The farmers, however, can derive benefits from the price discovery functions of the futures markets.

7.10 The Department further added that dissemination of the futures prices of the commodities traded at the Exchanges is a major activity envisaged for the Annual Plan 2007-08 for which Rs.10 Crores has been earmarked, out of total grant of Rs.20 Crores under the Scheme 'Strengthening of FMC'. The Forward Markets Commission (FMC), which is the Regulator for commodity futures market under the provisions of FCR Act, is taking up the matter with various Banks, post offices, State Governments, etc. to elicit their support for the price dissemination.

7.11 Moreover, a large number of awareness programmes have been organized by the FMC and the Commodity Exchanges for the benefit of farmers, Cooperatives and other stakeholders like Processors. During 2006-07, three training programmes were exclusively conducted for the benefit of farmers through NABARD and eleven training programmes were conducted by NIAM, Jaipur. During 2007-08, more such programmes are proposed to be conducted.

7.12 In the matter of lack of availability of technically qualified staff for FMC, when the Department was asked whether it has taken up the matter with the UGC/Ministry concerned to introduce courses in Universities on stock marketing/exchanges to meet the demand of technical experts in stock exchanges/forward trading, the Department has stated that they are in the process of taking the matter up with the Ministry of Human Resource Development (HRD) to introduce a course module. Besides, FMC has already corresponded with several Management Institutes and various Universities (including Agricultural Universities) since September 2006 to introduce the subject of “Future Markets and their relevance to farmers” to their students who will in turn carry their message to rural India. Multi Commodity Exchange Limited (MCX) has set up two chairs alongwith two fellow scholarships in Bombay University to promote research and studies in commodity derivative trading.

7.13 The Standing Committee had examined the Forward Contracts (Regulation) Amendment Bill, 2006 and presented the Seventeenth report to Parliament on 19th December, 2006. The Committee after detailed deliberations had strongly recommended that agricultural commodities especially foodgrains including coarse grains, pulses and sugar need not be permitted to be traded in the commodity market including forward/future trade derivatives and options. Pursuant to the recommendation of the Committee, forward trading of wheat and rice was banned w.e.f. 27 February, 2007. Hon'ble Finance Minister in his Speech on Budget (2007-08) has announced the aforesaid decision of the Government pursuant to the recommendation of the Standing Committee. Earlier also, the forward trading of Tur and Urad was banned on 2nd February, 2007. The Committee feel that the aforesaid decisions speaks volumes of the fact that the concept of future /forward trading in essential commodities needs to be reviewed by the Government. The objectives of the forward trading are to help the farmers by Price Discovery and Price Risk Management. However, small farmers who have very less agricultural land are not able to take the benefit of forward trading as they do not have the capacity to hold their stocks over a long period of time. They have to sell their produce to meet the daily requirements. Besides these farmers are not technically equipped to trade in the complicated commodity exchanges. The revelation of NSSO Survey according to which nearly 71 per cent of the country's farmers had not even heard of the Minimum Support Price (MSP) and 81 per cent were effectively unaware of how to use the MSP further substantiates the aforesaid observation in this regard. The Committee fail to understand how the farmers who are not aware of the Minimum Support Price even can avail the benefit of future marketing by trading in highly sophisticated commodity exchanges. In view of this scenario, there is an urgent need to ban forward trading in the remaining essential commodities as recommended by the Committee.

7.14 The Committee note that the Government has appointed a Committee under the Chairmanship of Prof. Abhijit Sen to go into various aspects of forward trading in essential commodities that impact the consumers. All the concerns expressed by the Standing Committee in the Seventeenth Report should be brought into the knowledge of Prof. Abhijit Sen Committee. The Committee should be kept apprised about the follow up action in this regard.

CHAPTER-VIII

BUREAU OF INDIAN STANDARDS

Indian Standards Institution gave the nation the standards it needed for orderly industrial and commercial growth, quality production and competitive efficiency. However, the set up was considered inadequate and thus through an Act of Parliament dated 26 November, 1986, Bureau of Indian Standards (BIS) came into existence on 1 April, 1987 with a broadened scope and more powers taking over the staff, assets, liabilities and functions of ISI. Through this change over, the Government envisaged building the climate for quality culture and consciousness and greater participation of consumers in formulation and implementation of National Standards. The BIS Certification Marks Scheme is primarily voluntary in nature. However, keeping in view the health and safety of the consumer, 73 products have been brought under mandatory certification of BIS through various Quality Control Orders / Acts.

8.2 When asked about the details of number of raids conducted, products tested against those who failed to clear BIS specification during the last 2 years along with action taken against defaulters, the Department in their reply stated that during last two years (01 04 2005 to 29 03 2007) 446 raids were conducted by BIS to check the misuse of ISI mark. So far, 407 cases have been launched for prosecution during the same period which includes the prosecution of the defaulters during the raids conducted in previous years.

8.3 In order to monitor performance of the BIS licence holders and to check the quality of ISI marked products manufactured by them, product is tested by BIS in the factory during its surveillance visits and samples are collected from factory and market for testing in BIS or its approved laboratories. In case of failure of samples, action as per BIS guidelines are taken which include notice for taking necessary corrective actions under intimation to BIS for verification during its subsequent visit and issuance of “Stop Marking” instructions. Resumption of marking is considered by BIS only after it is satisfied that the corrective actions taken are adequate and improved product is conforming to all the requirements of relevant Indian Standards.

8.4 The Committee note that BIS came into existence on 1 April, 1987 with a broadened scope and more powers taking over the staff, assets, liabilities and functions of ISI. The Committee also note that the BIS Certification Marks Scheme is primarily voluntary in nature. However, keeping in view the health and safety of the consumers, 109 products have been brought under mandatory certification of BIS through various Quality Control Orders/Acts. In this regard, during the period 1 April, 2005 to 29 March, 2007, 446 raids were conducted by BIS to check the misuse of ISI Mark and 407 cases have been taken up for prosecution during the same period which includes the prosecution of defaulters during the raids conducted in previous years. As regards the details of market samples tested by BIS during the year 2006-07, 9748 market samples were tested against which 2160 samples failed.

8.5 The Committee further note that in case of failure of samples, action as per BIS guidelines are taken which include notice for taking necessary corrective action under intimation to BIS for verification during its subsequent visit and issuance of 'Stop Marking' instructions. In this regard, the Committee would like to be informed about the number of such notices issued for 'Stop Marking' instructions. Further, the Committee find that the number of 446 raids conducted all over the country during the two years is too little keeping in view the large size of the country. To ensure the quality of products, stringent measures should be taken by undertaking more raids and taking strict action against the defaulters. The Committee would like the Department to take all the steps and intimate the Committee accordingly.

Hallmarking of Jewellery

8.6 BIS has been nominated as the sole agency in India for Hallmarking of Gold Jewellery. The Hallmarking Scheme which is on a voluntary basis was formally launched by BIS in April 2000. Jewellers desirous of operating the BIS Hallmarking Scheme for gold jewellery have to apply to BIS for Certification. A BIS certified jeweler gets his jewellery assayed and hallmarked by any BIS recognized Assaying and Hallmarking Centre. The recognition of Assaying and Hallmarking Centres is done by BIS after ensuring that the Assaying and Hallmarking Centre are following BIS Criteria for Hallmarking based on laid down norms for sampling, assaying and hallmarking and also have adequate testing facilities, trained and competent manpower. The norms for recognition of these centers have been aligned with those in other parts of the world, in order to ensure the acceptability of the jewellery with 'Indian Hallmark' world over. The number of licences for Hallmarking of jewellery has grown up from 1410 on 1st April, 2006 to 3466 as on 31st March, 2007. Similarly, the number of licences for Hallmarking of silver jewellery/artifacts has grown from 23 on 31st March, 2006 to 246 as on 31st March, 2007. During the period, the number of BIS recognized assaying and hallmarking centers has grown to 45 from 36.

8.7 The Committee have been informed that BIS has conducted 156 Jewellers awareness programmes during last 3 years. Statewise details are as below :

Sl.No.	State/U.T	No. of Jeweller's Awareness Programme during last 3 years
1	Madhya Pradesh	11
2	Gujrat	11
3	Rajasthan	5
4	Haryana	4
5	Assam	3
6	Uttar Pradesh	14
7	Delhi	6
8	West Bengal	10
9	Karnataka	11
10	Himachal Pradesh	8
11	Maharasthra	14
12	Goa Daman & Diu	2
13	Andhra Pradesh	16
14	Kerala	10
15	Punjab	7
16	Chandigarh	1
17	Tamilnadu	18
18	Bihar	5
Total		**156**

8.8 As on 29 March 2007, a total of 3437 jewellers for gold have opted for hallmarking scheme since inception in April 2000 and a total of 246 jewelers for silver have opted for hallmarking scheme since inception in October 2005.

8.9 When asked whether the Government has proposed to make gold hallmarking mandatory in country, the Committee was informed that in order to protect the interest of consumer by way of ensuring value for money through third party assurance on the purity (fineness) of gold, Ministry of Consumer Affairs vide letter dated January 13, 2006 has communicated that the Hon'ble Minister for CAF&PD has approved the proposal for bringing the hallmarking of gold jewellery under mandatory certification w.e.f 1st January, 2008.

8.10 In reply to another question, the Committee was informed that at present, 45 hallmarking centres for Gold have been recognized by BIS in the country. Statewise details are as below :

Sl.No.	State	Number of Centers
1	Karnataka	2
2	Kerala	9
3	Andhra Pradesh	3
4	Tamilnadu	8
5	Gujrat	5
6	Maharashtra	8
7	West Bengal	3
8	Madhya Pradesh	1
9	Rajasthan	1
10	Delhi	5
Total		**45**

8.11 In other states no centre has been recognized so far. 45 centres are not sufficient to cater to all the jewelers in the country. To create countrywide infrastructure, a scheme of setting up of Assaying and Hallmarking centres for gold jewellery with central assistance has been approved by Govt. and is being implemented by BIS. Under the scheme selected applicants would be given one time financial assistance @ 15% of cost of machinery and equipment subject to maximum of Rs. 15 lakhs per centre. For locations of north-east and special category states, entrepreneurs would be given one time financial assistance @ 30% of cost of machinery & equipment subject to maximum of Rs. 30 lakhs per centre. There are no hallmarking centers in rural areas.

8.12 The Committee note that the Hallmarking Scheme which is on a voluntary basis was launched by BIS in April 2000 and later revised in January, 2006. A BIS Certificate Jeweller gets his jewellery assayed and hallmarked by any BIS recognized Assaying and Hallmarking Centre. The Committee have been informed that BIS has conducted 156 jewellers awareness programmes during the last three years covering 18 States. Till now, 3437 jewellers have opted for gold and 241 jewellers for silver have opted for hallmarking scheme. The Committee further note that the Government is contemplating to bring the hallmarking of gold jewellery under mandatory certification w.e.f. 1 January, 2008. The Committee feel that simultaneous with making the hallmarking of gold jewellery mandatory, the BIS should arrange more awareness programmes to educate the people about the benefits of God/Silver Hallmarking. The Committee also recommend that a suitable provision should be made in the BIS Act for making the hallmarking mandatory.

8.13 The Committee further note that at present, there are 45 hallmarking centers spreading in 10 States which are not sufficient to cater to all jewellers in the country. The Committee are concerned to note that all these Hallmarking Centres are centralized in the urban cities only and not a single Hallmarking Centre has been set up in rural areas where chances of cheating are more. The Committee, therefore, recommend that BIS should make efforts to provide facility of assaying and hallmarking of gold and silver jewellery in remote and backward areas so that the interest of consumers are protected by way of ensuring value of money.

CHAPTER-IX

NATIONAL TEST HOUSE (NTH)

The National Test House (NTH) under the administrative control of Department of Consumer Affairs, is a premier Scientific Institution of the country. It was established way back in 1912 under the then Railway Board and since then it has grown into a laboratory of national importance in the field of testing, evaluation and quality control of various engineering materials and finished products. It is actively involved in all respects of technology connected with industry, commerce, trade and standardization. It has played a pivotal role in the development of indigenous industries and serves as a vital link between industrial research and manufacture of finished products under rigid quality control.

Allocation for Plan Schemes of NTH during Tenth Plan Period

(Rs. in crore)

Year	BE	RE	AE
2002-03	3.95	2.50	2.45
2003-04	3.80	3.80	3.39
2004-05	5.73	5.69	5.00
2005-06	5.66	5.35	5.01
2006-07	6.50	6.35	5.64

During 2007-08, an amount of Rs. 25.00 crore has been sanctioned for NTH its Plan Schemes.

9.2 When asked whether there is a proposal to set higher revenue targets for NTH during Eleven Plan Period, the Department stated that IIM Kolkata, which was entrusted recently with a study on viability of NTH in the coming years, has submitted its preliminary report. As per the preliminary report, the estimated Non Plan expenditure of NTH is expected to rise from Rs.12.34 crore in 2006-07 to Rs.21.15 crore in 2010-11. The revenues to be generated by NTH from its various activities are expected to rise from Rs.5.28 crore in 2006-07 to Rs.11.50

crore in 2010-11. As percentage of its estimated Non Plan expenditure, the revenues of NTH are expected to rise from 43 per cent in 2006-07 to 54 per cent in 2010-11.While concluding that NTH is a scientific organization with leading role not only in testing and evaluation services but also as a reference institution in its areas of operation in national interest, the preliminary report has suggested that NTH be set increasingly higher revenue targets from 50 per cent to 80 per cent of its Non Plan expenditure from 2006-07 to 2010-11 in order to make it self-sufficient to fully meet its Non Plan expenditure during Eleventh Plan period.

9.3 NTH has taken the following actions with a view to augment its revenue generation in the coming years:-

(i) NTH has regrouped its activities into three major areas – physico-mechanical, electro-technical and chemical, for better utilization of scientists;

(ii) Time for completion of tests has been reduced considerably and maintained within Probable Date of Completion (PDC);

(iii) Existing test and calibration facilities have been augmented, and revenue from calibration services has increased;

(iv) NTH has initiated working groups for business development and customer care in all its regions and now receives substantially more samples from private sector.

Actions proposed by NTH:-

(i) Besides 22 additional posts of Scientists, a new Technical Cadre comprising of 200 staff to assist the scientists is proposed to be introduced. The proposal also involves drastic reduction in administrative staff as also reduction in technical supporting staff. It does not involve any increase in the existing overall sanctioned strength of NTH officers and staff but the ratio of 1:1:0.3 between scientists, technical staff and administrative staff is proposed by NTH which would be reviewed by IIM after studying the productivity norms.

(ii) Actions proposed to be taken by NTH also include, *inter alia*, the commencement of testing of packaged drinking water and new high value materials and products from 2007-08, development of well equipped training centre by 2007-08, setting up of centres of excellence in all regions in time so that these centres start generating revenue from 2008-09, and development of new business segments, i.e. software testing and inspection service in 2008-09 and 2010-11 respectively.

9.4 When asked about the details of non commercial activities undertaken by scientists at NTH, the Department stated that NTH Scientists have been discharging its services both in terms of commercial and non-commercial activities. The non-commercial activities which NTH scientists undertake are as follows:

(i) Assisting BIS in framing Specifications of varied engineering and consumable products by representing in its various Sectional Committees.

(ii) NTH Scientists represent as Lead Assessors and Assessors in National Accreditation Board for Testing & Calibration Laboratories (NABL).

(iii) Provide training to the professionals belonging to Government Departments and Autonomous Bodies viz. Railways, SAIL, BIS in the field of testing and calibration with very nominal fees.

(iv) Assist various Courts of Law, legal custodians and Vigilance Departments for quality assurance as a third party reference laboratory. Although NTH receives testing fees but the intangible value for these sort of testing is enormous for the consumer interests of the country.

(v) As a part of social welfare service, NTH undertakes sensitive tests e.g. quality of potable water, spices, alcohol, spirits, submitted by Govt. Agencies. The fees received by NTH cannot be considered as commercial.

9.5 The Committee note that an outlay of Rs. 25.00 crore has been provided for NTH during the year 2007-08 as compared to the allocation of Rs. 6.50 crore during previous year. Thus, the allocation for NTH has been increased almost three and a half times. The Committee also find that National Test House is a premier scientific institution of the country and has played a pivotal role in the development of indigenous industries and serves as a vital link between industrial research and manufacture of finished products under rigid quality control. As regards the priorities during Eleventh Plan, IIM, Kolkata has been entrusted a study on viability of NTH in the coming year and submitted its preliminary report. As per the findings of the preliminary report, the revenues to be generated by NTH from its various activities are expected to rise from Rs. 5.28 crore in 2006-07 to Rs. 11.50 crore in 2010-11. The preliminary report has also suggested that NTH will be generating increasingly high revenue from 50 per cent to 80 per cent of its non-plan expenditure from 2006-07 to 2010-11 in order to make it self-sufficient to fully meet its non-plan expenditure during Eleventh Plan Period.

9.6 The Committee further note that besides commercial activities, NTH is discharging its services in certain non-commercial activities. In addition to this, NTH performs certain activities as a part of social welfare service by undertaking sensitive tests in quality of portable water, spices, alcohol, spirits submitted by Government Agencies. Keeping in view the aforesaid information provided by the Department with regard to the working of NTH, the Committee strongly recommend to provide all the help by way of budgetary assistance to National Test House so that this premier scientific institution can perform its manifold activities efficiently. The detailed findings of the study being made by IIM, Kolkata may also be submitted for information of the Committee when the study is completed. Besides, the efforts to be made to make NTH self-sufficient and on the track of profit making institution should further be continued.

DEVENDRA PRASAD YADAV,
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution

NEW DELHI
25 April 2007
5 Vaisakha, 1929 (Saka)

Appendix-I

CRITICAL ANAYSIS OF STATEMENT MADE BY MINISTER UNDER DIRECTION 73-A REGARDING STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE THIRTEEN REPORT OF THE COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (DEPARTMENT OF (CONSUMER AFFAIRS)

Subject of the Report: Thirteen Report of the Standing Committee on Food, Consumer Affairs and Public Distribution (2006-2007) on Demands for Grants of Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)

Date of Presentation: 22.2.2006

Date of presentation of ATR/ 06.12.2006

Date of Receipt of Action Taken Notes 18.08.2006

Date of Minister's Statement 27.11.2006

Name of Committee	Ministry /Department	Total No. of Recs.	Total No. of Recs. Accepted	No. of recs. Implemented	No. of recs. Under process	No. of Recs. Not implemen-ted	No. of Recs. Yet to be implemen-ted
Food, Consumer Affairs and Public Distribution	Ministry of Consumer Affairs, Food and Public Distribution (Deptt. of Consumer Affairs)	15	8	3	2	-	2

Appendix II

Statement showing scheme-wise, Project-wise funds allocated for 10th Plan and actual expenditure incurred

PLAN

(Rs. in Crore)

S. No.	Scheme	Budget Estimates					Revised Estimates					Actual Expenditure				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
1	Consumer Protection Unit	3.40	3.10	3.25	79.27	81.50	3.10	3.10	8.59	71.14	86.42	2.85	3.10	18.25	68.54	85.64
2	National Test House	3.95	3.80	5.73	5.66	6.30	2.50	3.80	5.69	5.35	6.30	2.45	3.39	5.00	5.01	4.51
3	Consumer Disputes Redressal Agencies	0.50	0.50	5.40	7.40	3.15	0.13	0.50	0.40	0.01	3.15	0.02	0.00	0.00	0.00	0.00
4	Integrated Project on Consumer	-	-	-	-	41.40	-	-	-	0.01	26.40	-	-	10.20	0.00	30.96
5	Construction of Training Institute at NOIDA(BIS)	0.30	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00
6	Setting up of Gold Hallmarking and Assya8ing Centre in India	0.00	0.00	0.00	0.90	0.90	0.00	0.00	0.00	0.50	0.72	0.00	0.00	0.00	0.50	0.00
7	Contribution to the Quality Council of India	0.15	0.15	0.15	0.00	-	0.15	0.15	0.00	0.00	0.00	0.15	0.15	0.00	0.00	0.00
8	Weights & Measures	0.81	1.02	1.06	1.17	9.25	0.71	1.02	0.99	2.12	9.25	0.72	0.87	0.77	1.88	7.30
9	Regulation of Markets	0.15	0.25	0.25	2.25	3.00	0.05	0.25	0.35	1.25	2.00	0.06	0.21	0.21	0.93	1.46
10	Information and Technology Officer Expenses	0.25	0.25	0.35	0.50	0.75	0.25	0.25	0.35	0.50	0.75	0.29	0.26	0.21	0.36	0.51
11	Lump sum provision for scheme in NE	0.64	0.60	2.06	10.79	16.75	0.31	0.60	1.98	9.12	15.01	0.30	0.39	1.47	8.87	0.08
		10.15	**9.67**	**18.25**	**107.94**	**163.0**	**7.50**	**9.67**	**18.25**	**90.00**	**150.00**	**7.14**	**8.37**	**36.11**	**86.09**	**130.46**

* The expenditure figures are upto 28 March 2007 as reported by Pr. Accounts Officer.

Appendix-III

Statement showing BE, RE & Actual Expenditure in respect of Consumer Affairs for the year 2002-2003 to 2006-2007.

(Rs. in Crore)

Demand No.	Year		Budget Estimates			Revised Estimates			Actuals			
			Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	% age w.r. to RE
39	2002-03	Revenue	8.38	46.48	**54.86**	6.23	51.65	**57.88**	5.96	53.70	**59.66**	103.08
		Capital	1.77	6.00	**7.77**	1.27	23.68	**24.95**	1.18	38.68	**39.86**	159.76
		Total	**10.15**	**52.48**	**62.63**	**7.50**	**75.33**	**82.83**	**7.14**	**92.38**	**99.52**	120.15
18	2003-04	Revenue	7.32	24.76	**32.08**	7.32	25.48	**32.80**	7.12	27.35	**34.47**	105.09
		Capital	2.35	0.00	**2.35**	2.35	7.50	**9.85**	1.12	7.50	**8.62**	87.51
		Total	**9.67**	**24.76**	**34.43**	**9.67**	**32.98**	**42.65**	**8.24**	**34.85**	**43.09**	101.03
18	2004-05	Revenue	9.25	25.59	**34.84**	34.02	24.58	**58.60**	33.26	22.88	**56.14**	95.80
		Capital	9.00	0.46	**9.46**	4.23	20.66	**24.89**	2.85	2.96	**5.81**	23.34
		Total	**18.25**	**26.05**	**44.30**	**38.25**	**45.24**	**83.49**	**36.11**	**25.84**	**61.95**	74.20
18	2005-06	Revenue	98.38	25.40	**123.78**	86.34	27.97	**114.31**	83.08	25.11	**108.19**	94.65
		Capital	9.56	0	**9.56**	3.66	0.42	**4.08**	3.01	0.42	**3.43**	84.07
		Total	**107.94**	**25.40**	**133.34**	**90.00**	**28.39**	**18.39**	**86.09**	**25.53**	**111.62**	94.28
17	2006-07	Revenue	147.03	30.00	**177.03**	140.95	30.31	**71.26**	128.74	25.76	**154.50**	90.21
		Capital	15.97	5.00	**20.97**	9.05	5.00	**14.05**	1.72	2.23	**3.95**	28.11
		Total	**163.00**	**35.00**	**198.00**	**150.00**	**35.31**	**185.31**	**130.46**	**27.99**	**158.45**	***85.51**
17	2007-08	Revenue	183.00	31.64	**215.14**							
		Capital	29.50	5.00	**34.50**							
		Total	**213.00**	**36.64**	**249.64**							

* This represents expenditure upto 28 March, 2007 on provisional basis.

Appendix-IV

Details of Statewise Allocation under 'Scheme on Assistance to States/UTs to create Awareness' during 2006-07

Sl.No.	Name of States/UTs	No. of .Dists Rs.1.25 lakhs perdistrict.	AMOUNT (Rs.In lakhs)
1.	Andhra Pradsh	23	28.75
2.	Arunachal Prad	15	18.75
3.	Assam	23	28.75
4.	Bihar	37	46.25
5.	Chattisgarh	16	20.00
6.	Delhi	9	11.25
7.	Goa	2	2.50
8.	Gujarat	25	31.25
9.	Haryana	19	23.75
10	Himachal prad	12	15.00
11.	J&K	14	17.50
12	Jharkand	22	27.50
13.	Karnataka	27	33.75
14.	Kerala	14	17.50
15,	Madhya Prad	48	60.00
16.	Maharashtra	33	41.25
17.	Manipur	9	11.25
18	Meghlaya	7	8.75
19.	Mizoram	8	10.00
20.	Nagaland	8	10.00
21.	Orissa	30	37.50
22	Punjab	17	21.25
23.	Rajasthan	32	40.00
24.	Sikkim	4	5.00
25.	Tamilnadu	29	36.25
26.	Tripura	4	5.00
27.	Uttranchal	13	16.25
28	Uttar Pradesh	70	87.50
29.	West Bengal	19	23.75
30.	A&N islands	2	2.50
31.	Chandigarh	1	1.25
32.	D&N Haveli	1	1.25
33.	Daman &Diu	2	2.50
34.	Lakshadweep	1	1.25
35.	Pondicherry	4	5.00
		600	**750**

Appendix-V

Statement regarding functional, non-functional District Fora

(Updated on 26/03/2007)

Sl. No.	States	Whether SC Functional or Non-functional	No. of District Fora	Functional	Non-functional	As on
1	Andhra Pradesh	Yes	29	29	0	31.12.2006
2	A & N Islands	Yes	1	1	0	31.3.2006
3	Arunachal Pradesh	Yes	16	13	3	31.12.2006
4	Assam	Yes	23	20	3	30.6.2006
5	Bihar	Yes	38	35	3	30.9.2006
6	Chandigarh	Yes	2	2	0	31.12.2006
7	Chattisgarh	Yes	16	15	1	31.12.2006
8	D & N Haveli	Yes	1	1	0	31.12.2006
9	Daman &Diu	Yes	2	2	0	31.12.2006
10	Delhi	Yes	10	10	0	31.12.2006
11	Goa	Yes	2	2	0	31.12.2006
12	Gujrat	Yes	26	24	2	30.6.2006
13	Haryana	Yes	19	19	0	31.01.2007
14	Himachal Pradesh	Yes	12	12	0	31.12.2006
15	Jammu & Kashmir	Yes	2	2	0	30.6.2006
16	Jharkhand	Yes	22	22	0	31.12.2005
17	Karnataka	Yes	30	30	0	31.12.2006
18	Kerala	Yes	14	13	1	30.6.2006
19	Lakshadweep	Yes	1	1	0	31.12.2006
20	Madhya Pradesh	Yes	45	45	0	30.9.2006
21	Maharashtra	Yes	38	38	0	31.12.2006
22	Manipur	Yes	8	8	0	30.6.2000
23	Meghalaya	Yes	7	7	0	30.6.2005
24	Mizoram	Yes	8	8	0	31.12.2006
25	Nagaland	Yes	11	8	3	30.6.2006
26	Orissa	Yes	31	31	0	31.12.2006
27	Pondicherry	Yes	1	1	0	31.12.2006
28	Punjab	Yes	17	17	0	31.12.2006
29	Rajasthan	Yes	33	32	1	31.12.2006
30	Sikkim	Yes	4	4	0	31.12.2006
31	Tamilnadu	Yes	30	27	3	31.12.2006
32	Tripura	Yes	4	4	0	31.12.2006
33	Uttar Pradesh	Yes	70	68	2	31.12.2006
34	Uttaranchal	Yes	13	13	0	31.12.2006
35	West Bengal	Yes	21	21	0	31.01.2007
	TOTAL		607	585	22	

Appendix-VI

Statement regarding vacancy position in the State Commissions and District Fora

(Updated on 26/03/2007)

Sl. No.	States	State Commission		District Forum		As on
		President	Member	President	Member	
1	Andhra Pradesh	0	0	4	5	31.12.2006
2	A & N Islands	0	0	0	0	31.3.2006
3	Arunachal Pradesh	1	0	0	16	31.01.2007
4	Assam	1	1	2	4	30.6.2006
5	Bihar	0	0	3	17	30.9.2006
6	Chandigarh	0	0	0	0	28.02.2007
7	Chattisgarh	0	0	4	5	31.12.2006
8	D & N Haveli	0	0	0	1	31.01.2007
9	Daman &Diu	0	0	0	0	31.12.2006
10	Delhi	0	0	1	2	28.02.2007
11	Goa	0	0	0	0	31.12.2006
12	Gujrat	0	1	5	13	31.12.2006
13	Haryana	0	2	2	6	28.02.2007
14	Himachal Pradesh	0	0	0	6	31.12.2006
15	Jammu & Kashmir	0	0	0	0	31.10.2006
16	Jharkhand	0	0	3	2	31.10.2006
17	Karnataka	0	0	4	1	31.01.2007
18	Kerala	0	1	6	3	30.6.2006
19	Lakshadweep	0	0	0	0	31.01.2007
20	Madhya Pradesh	0	0	0	17	31.01.2007
21	Maharashtra	0	0	1	3	31.12.2006
22	Manipur	0	2	0	0	30.6.2006
23	Meghalaya	0	0	0	0	30.6.2005
24	Mizoram	0	0	1	7	31.12.2006
25	Nagaland	0	0	0	0	30.6.2006
26	Orissa	0	0	2	2	31.01.2007
27	Pondicherry	0	0	0	1	31.12.2006
28	Punjab	0	0	0	1	28.02.2007
29	Rajasthan	0	0	4	31	28.02.2007
30	Sikkim	0	0	0	2	31.12.2006
31	Tamilnadu	0	1	2	21	31.12.2006
32	Tripura	0	0	0	0	31.12.2006
33	Uttar Pradesh	0	0	2	9	31.01.2007
34	Uttarakhand	0	0	1	0	28.02.2007
35	West Bengal	0	1	2	6	31.12.2006
	TOTAL	2	9	49	181	

Appendix-V II

Statement showing year-wise filing and disposal of cases in National Commission and State Commissions

(Upto 31.12.2006)

	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
National Commission	4046	4171	3878	4767	5222	4269

States	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
Andhra Pradesh	1728	1022	2176	995	1785	464
A & N Islands	0	0	0	0	0	0
Arunachal Pradesh	1	0	5	0	0	0
Assam	186	93	246	20	302	1 (As on 30.09.2006)
Bihar	936	800	936	585	556	483
Chandigarh	520	581	181	112	976	821
Chattisgarh	807	1054	539	874	865	895
D & N Haveli/Daman &Diu	2	2	2	3	1	1
Delhi	1272	1809	1294	2063	356	824 (As on 31.03.2006)
Goa	84	132	70	127	14	28
Gujrat	3208	2566	2177	2265	0	0
Haryana	3370	407	2729	769	3025	1395
Himachal Pradesh	1369	1273	1195	851	1664	2040
Jammu & Kashmir	0	0	0	0	0	0
Jharkhand	562	306	511	645	143	85 (As on 31.03.2006
Karnataka	1973	2446	2276	2823	3451	2516
Kerala	1172	342	884	425	0	0
Lakshadweep	1	0	0	3	0	0
Madhya Pradesh	2423	2507	2433	2534	2970	2780
Maharashtra	2763	1678	2880	1383	2250	1395

Manipur	0	0	0	0	0	0
Meghalaya	7	14	0	0	0	0
Mizoram	4	0	11	28	6	19
Nagaland	2	4	0	0	0	0
Orissa	1157	538	1119	662	1194	1096
Pondicherry	16	3	66	27	45	48
Punjab	1623	898	1719	1375	1661	1187
Rajasthan	2615	2906	2315	3709	2817	4804
Sikkim	0	3	0	1	0	0
Tamilnadu	930	660	787	934	0	0
Tripura	86	105	98	255	79	102
Uttar Pradesh	2780	1311	2572	1861	0	0
Uttaranchal	648	323	292	61	339	27
West Bengal	784	1162	773	985	659	1196

TOTAL	33029	24945	30286	26375	25158	22207

Appendix-VIII

Statement showing year-wise filing and disposal of cases in District Fora

(Upto 31.12.2006)

States	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
Andhra Pradesh	7344	2942	7469	3414	6471	2428
A & N Islands	0	0	0	0	0	0
Arunachal Pradesh	17	11	6	8	0	0
Assam	0	0	0	0	0	0
Bihar	2962	3270	3636	3029	1624	2338
Chandigarh	2600	2410	1393	1042	1850	1509
Chattisgarh	1139	1001	738	824	2187	2084
D & N Haveli/Daman &Diu	5	1	13	12	9	4
Delhi	11950	14206	11312	11833	2533	2276 (As on 31.03.2006)
Goa	204	152	216	120	53	52
Gujrat	8301	8775	7390	6257	0	0
Haryana	9787	2641	10149	10023	10619	11871
Himachal Pradesh	2435	2781	1868	1913	2096	1880
Jammu & Kashmir	0	0	0	0	0	0
Jharkhand	2653	2911	2066	1905	458	773
Karnataka	6064	6044	6634	6271	8398	8535
Kerala	5498	5459	4309	2772	0	0
Lakshadweep	0	0	3	4	0	0
Madhya Pradesh	7640	8476	8006	8007	10850	9597
Maharashtra	9628	12175	10519	12888	8233	10705
Manipur	0	0	0	0	0	0

Meghalaya	28	16	0	0	0	0
Mizoram	0	0	0	0	0	0
Nagaland	25	23	0	0	0	0
Orissa	4275	4304	3471	3526	2844	3083
Pondicherry	112	66	94	68	88	88
Punjab	9309	8973	8001	8735	6302	4663
Rajasthan	12368	13382	12399	13369	14064	13853
Sikkim	0	0	11	6	0	0
Tamilnadu	4567	4470	3961	3994	0	0
Tripura	116	113	16	15	0	0
Uttar Pradesh	16944	13335	19047	19108	0	0
Uttaranchal	1118	1264	1064	1272	2677	1148
West Bengal	3470	3433	3331	3009	3518	3165

TOTAL	130559	122634	127122	123424	84874	80052

Appendix-IX

UTILISATION CERTIFICATES OUTSTANDING IN RESPECT OF GRANTS/LOANS RELEASED UP TO 31ST MARCH 2005

YEAR	No. of UCs outstanding in r/o grants released up to March 2005	Amount involved (IN Rs).	No. of UCs received	Amount involved in respect of UCs received	No. of UCs outstanding as on 1.4.2007	Amount involved on outstanding UCs (In Rs.)
1	2	3	4	5	6	7
1994-95	NIL	NIL	NIL	NIL	NIL	NIL
1995-96	5	357100	-	-	5	3,57,100
1996-97	13	1059525	1	27000	12	10,32,525
1997-98	7	2,43,000	-	-	7	2,43,000
1998-99	7	222300	1	24300	6	1,98,000
1999-2000	2	45000	-	-	2	45,000
2000-01	7	189900	-	-	7	1,89,900
2001-02	3	162000	-	-	3	1,62,000
2002-03	-	-	-	-	-	-
2003-04	7	951000	1	150,000	6	8,01,000
2004-05 (Upto 31/3/2005	11	1939500	2	3,42,000	9	15,97,500
Total	**62**	**5169325**	**5**	**5,43,300**	**57**	**46,26,025**

Appendix- X

Action Taken under the Essential Commodities Act,1955 information received from States/UTs for the year 2006 (1.1.2006 to 31.12.2006)

S. No.	STATE/UT	No.of raids	No.of Persons arrested	No. of Persons prosecuted	No. of persons convicted	Value of goods confiscated	Reported upto
1	Andhra Pradesh	8747	190	20	40	106.2	November
2	Assam	947	161	4	1	0.26	June
3	Arunachal Pradesh	20	0	0	0	0	February
4	Bihar	NR	NR	NR	NR	NR	Not reported
5	Chhatisgarh	341	17	175	94	165.5	November
6	Delhi	67	32	0	0	0.47	November
7	Gujarat	31816	55	116	0	47.8	November
8	Goa	17	0	0	0	0.1	December
9	Haryana	28	23	13	Nil	1.16	November
10	Himachal Pradesh	Nil	Nil	Nil	Nil	Nil	October
11	Jammu & Kashmir	230	188	104	0	0.43	March
12	Jharkhand	NR	NR	NR	NR	NR	Not reported
13	Karnataka	2887	53	3	0	26.9	November
14	Kerala	3795	3	3	0	0.21	August
15	Madhya Pradesh	29465	85	249	337	244.16	2005-06
16	Maharashtra	2466	1514	2190	Nil	118.24	November
17	Manipur	68	9	9	9	9.2	October
18	Meghalaya	56	7	7	0	0.06	November
19	Mizoram	47	0	0	0	0	May
20	Nagaland	Nil	Nil	Nil	Nil	Nil	December
21	Orissa	1218	27	93	0	9.89	Sept.
22	Punjab	32634	19	4	0	0.4	Sept.
23	Rajasthan	NR	NR	NR	NR	NR	Not reported
24	Sikkim	Nil	Nil	Nil	Nil	Nil	August
25	Tamilnadu	2063	171	0	0	125.71	April*
26	Tripura	NR	NR	NR	NR	NR	Not reported
27	Uttranchal	13398	10	23	0	2.33	2005-06
28	Uttar Pradesh	4163	55	163	17	114.54	Sept.$

29	West Bengal	270	73	31	0	2.91	Sept.**
30	A&N Islands	128	2692	0	0	0	Sept.
31	Chandigarh	3	4	4	0	0.13	October$$
32	D&N Haveli	Nil	Nil	Nil	Nil	Nil	August
33	Daman & Diu	NR	NR	NR	NR	NR	Not reported
34	Lakshadweep	Nil	Nil	Nil	Nil	Nil	November
35	Pondicherry	151	33	33	0	0.61	November
	Total	**135025**	**5421**	**3244**	**498**	**977.21**	

(in Rs.Lakh)

*Only January & April
$$-Except May
$-Only June,July & Sept.,
**-Except April

Annexure-XI

COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2006- 2007)

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING COMMITTEE HELD ON MONDAY, 9 APRIL, 2007.

The Committee sat from 1430 to 1600 hours. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Devendra Prasad Yadav - Chairman

MEMBERS

Lok Sabha

1. Shri Alakesh Das.
2. Shri Avinash Rai Khanna
3. Shri Harikewal Prasad
4. Shri Atama Singh Gill
5. Adv. (Smt.) P. Satheedevi
6. Shri Parsuram Majhi
7. Shri W. Wangyuh Konyak
8. Smt. V. Radhika Selvi

Rajya Sabha

9. Shri Rajniti Prasad
10. Shri Matilal Sarkar
11. Shri Shantaram Laxman Naik

SECRETARIAT

1.	Shri P. K. Misra	-	Joint Secretary
2.	Smt. Sudesh Luthra	-	Director
3.	Shri Jagdish Prasad	-	Deputy Secretary

Representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)

1.	Shri Yashwant Bhave	-	Secretary
2.	Shri Vivek Mehrotra	-	AS &FA
3.	Smt. Alka Sirohi	-	Additional Secretary (CA)
4.	Shri Paul Joseph	-	Senior Economic Advisor
5.	Shri Sundereshan	-	Chairman (FMC)
6.	Shri A.N. Bokshi	-	Chief Controller of Accounts

At the outset, the Chairman welcomed the members to the sitting of the Committee convened to take oral evidence of the representatives of the Department of Consumer Affairs (Ministry of Consumer Affairs, Food and Public Distribution) on Demands for Grants (2007-08).

[The representatives of the Department of Consumer Affairs (Ministry of Consumer Affairs, Food and Public Distribution) were then called in.]

2. The Chairman thereafter welcomed the representatives of the aforesaid Department and drew their attention to the provisions of direction 55(1) of the `Directions by the Speaker, Lok Sabha'. He, in his welcome address, raised various pertinent issues which included growth of the Department during the Tenth Plan with specific reference to the allocations made during each year of the Tenth Plan, the need to ban 'Forward Trading' in the agricultural commodities, especially foodgrains including coarse grains, pulses and sugar.

3. The Secretary addressed to the concerns raised by the Hon'ble Chairman in his opening remarks. The issues raised by Hon'ble Chairman were further supplemented by the members of the Committee.

4. The Committee then held detailed discussions on the following issues with specific reference to examination of Demands for Grants 2007-08:-

(i) achievement of the Department during the Tenth Plan period and targets and objectives of the Department for the Eleventh Plan period;

(ii) under-spending of funds under the respective schemes of the Department;

(iii) provision of infrastructure for Consumer Fora at district level;

(iv) non-functional Consumer Fora in the country, thrust on consumer awareness among rural consumers, bringing consumer redressal mechanism at Tehsil level;

(v) future trading in agricultural commodities in the context of Indian farmers, proposal for amendment to the existing Consumer Protection Act, review of guidelines issued under the Essential Commodities Act 1955; and

(vi) dehoarding campaign and fixing of stock limits in the context of essential commodities.

5. The members raised various queries pertaining to the aforesaid issues. The representatives of the Department responded to the queries raised by the Chairman and members. Valuable suggestions emerged during the deliberations.

A copy of the verbatim proceedings of the sitting of the Committee was kept.

The Committee then adjourned.

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Annexure-XII

COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2006- 2007)

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE HELD ON MONDAY, 23 APRIL, 2007.

The Committee sat from 1130 hours to 1230 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Devendra Prasad Yadav - Chairman

MEMBERS

Lok Sabha

2. Shri Alakesh Das
3. Shri Munshi Ram
4. Adv. (Smt.) P. Satheedevi
5. Shri Chandra Bhan Singh
6. Shri Daroga Prasad Saroj
7. Smt. V. Radhika Selvi
8. Shri Avinash Rai Khanna
9. Shri Parsuram Majhi

Rajya Sabha

10. Shri T.S. Bajwa
11. Shri Rajniti Prasad
12. Shri Matilal Sarkar
13. Shri Nabam Rebia
14. Shri Vijaykumar Rupani

Secretariat

1.	Shri P.K. Misra	-	Joint Secretary
2.	Smt. Sudesh Luthra	-	Director
3.	Shri Jagdish Prasad	-	Deputy Secretary

At the outset, Hon'ble Chairman welcomed the members to the sitting of the Committee and invited their suggestions on two draft reports on Demands for Grants (2007-08) of the respective Ministries/Departments under the jurisdiction of the Committee as circulated by the Secretariat vide letter dated 21 April, 2007.

2. xxxxxxxxxxxx xxxxxxxxxxxx xxxxxxxxxxxx

3. The Committee, thereafter, took up for consideration the draft report on Demands for Grants (2007-08) of the Department of Consumer Affairs (Ministry of Consumer Affairs, Food and Public Distribution) and adopted the said draft report with a slight modification.

4. The Hon'ble Chairman requested the members to send their suggestions/modifications (in addition to the modifications proposed during the sitting) to the aforesaid draft reports, if any, latest by 25 April, 2007.

5. The Committee then authorized the Chairman to finalise the aforesaid reports on the basis of factual verification from the concerned Ministry/Department and present the same to both the Houses of Parliament.

The Committee then adjourned.

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